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Prime Minister Silvio Berlusconi of Italy talking on a mobile phone Tuesday as he was escorted by bodyguards from the European security summit in Budapest.

Italy's 'Symbol of Justice' Stuns Nation by Quitting

By Alan Cowell
New York Times Service

ROME — After almost three years as the public spearhead of Italy's anti-corruption drive, Antonio Di Pietro, the crusading magistrate who came to symbolize his land's quest for renewal, resigned Tuesday, complaining that political maneuvering had made his work impossible.

Even more than his decision last month to investigate Prime Minister Silvio Berlusconi for corruption, Mr. Di Pietro's resignation stunned Italians, many of whom

had come to see him as what an emotional television commentator called "the symbol of justice."

"I feel used, exploited, pulled in all directions, thrust into the headlines every day, either by those who wish to use me against their enemies or by those who wish to see a nonexistent political agenda in my normal work," Mr. Di Pietro, 44, said in a resignation letter.

"I am leaving the judiciary," he said, "with death in my heart."

The letter, leaked to Italian reporters,

electrified Italy. Even though word of the resignation had been rumored since morning, it came as a complete surprise to many.

Television channels broke into their scheduled programs for live coverage of Mr. Di Pietro's resignation at his final trial in Milan. An opinion survey published in the opposition *La Repubblica* newspaper this week said 71 percent of those questioned would choose Mr. Di Pietro over Mr. Berlusconi in an election for Italy's presidency.

Politicians rushed to associate themselves with his crusade, and distance themselves from blame for his resignation. Demonstrators gathered outside Milan's law courts to urge Mr. Di Pietro to stay on. Stocks and the lira fell on financial markets.

Faxes begging him to reconsider poured into newspaper offices, and even those who had been — or are being — investigated by him spoke out.

"If Di Pietro really leaves, we will have

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German Phone Workers Suspected of Billing Fraud

By Brandon Mitchener
International Herald Tribune

FRANKFURT — Authorities have opened a broad investigation of telephone fraud in Germany, in which employees of Deutsche Bundespost Telekom are suspected of collaborating with organized crime to bill the huge state-owned company and its customers of as much as a half-billion Deutsche marks a year, prosecutors and industry sources said Tuesday.

The alleged fraud is the first hint of widespread corruption at Telekom, which is scheduled to be privatized by the end of the decade. An industry source outside the company said Tuesday that the investigation was likely to involve thousands of employees.

Police and prosecutors in several cities are investigat-

ing a collection of related scams in which rank-and-file Telekom employees are suspected of receiving kickbacks in exchange for shifting the cost of long-distance telephone calls to unwitting customers, authorities in Düsseldorf and Cologne said.

They declined to comment on details of the inquiry — which has involved searches in several German cities and is still in progress — because it might jeopardize their work.

One industry source familiar with the inquiry, speaking on condition of anonymity, said it was the "tip of the iceberg" and might expand to include "several thousand" Telekom employees. The same source estimated the annual financial damage to the company at as much as "a half-billion" marks.

Telekom denied any knowledge of the investigation. "We consider the existence of such a case, both in its nature and scope, more than unlikely," said Klaus Czerninski, a Telekom spokesman. "Telekom employees have never been involved in such an inquiry before."

The investigation involves allegations of hacking and inserting automatic dialing devices into the public telephone network, two of the most common ways of generating and routing telephone traffic illegally.

The searches already completed involved hackers and software pirates who implicated others, including Telekom employees, sources said.

While "there are examples of corruption in every

See FRAUD, Page 2

Nominee for Treasury Post Charted Clinton Economics

By Lawrence Malkin
International Herald Tribune

NEW YORK — Robert E. Rubin, the Clinton administration's chief economic coordinator, was nominated on Tuesday to be secretary of the Treasury.

Although his fiscal conservatism may even surpass that of his predecessor, Lloyd Bentsen, who announced his resignation on Tuesday, the former Wall Street financier is untied in dealing with Congress, which has just been captured by the Republicans.

The shift was announced in the White House Rose Garden by President Bill Clinton, who told Mr. Bentsen, "I love having you here every day, and I'm going to miss you."

But the prudent advice of Mr. Bentsen, 73, was ignored as much as accepted during his two years as the nation's chief financial officer, and his record was mixed in persuading Congress to support administration initiatives aside from those promoting free trade. Mr. Bentsen said he was resigning to return to private business.

Mr. Bentsen forecast continuity at the

Treasury, with no important changes in personnel. Any differences in philosophy that he might have with Mr. Rubin were "marginal," he said, and he expected that his successor would "share the same kind of discourse and exchange of views" with the Federal Reserve chairman, Alan Greenspan.

Mr. Rubin, 57, the multimillionaire former co-chairman of Goldman, Sachs & Co. and a major Wall Street fund-raiser for the Clinton campaign, was recommended by Mr. Bentsen as chief of the National Economic Council when Mr. Clinton formed his administration two years ago.

In that job, Mr. Rubin excelled at White House diplomacy and compromise in devising and presenting programs and policies to the president on deficit reduction, free trade, cutting the business costs of environmental regulation and other economic issues.

But like Mr. Bentsen, a former vice presidential candidate and chairman of the Senate Finance Committee, he also failed

See TREASURY, Page 3



LANDMARK GEISHA SUIT — Kaori Takagi, 21, left, an apprentice geisha, has filed a lawsuit, the first of its kind, charging her employer with exploitation and demanding \$110,000 compensation. She said the Kyoto geisha house owner slapped her, opened her mail and made her work holidays.

Star Wars II: The Death Ray That Refused to Die

By William J. Broad
New York Times Service

NEW YORK — It's back. Adored by military contractors and lambasted by civilian skeptics, fired into the political stratosphere by President Ronald Reagan and dragged back to Earth by the Clinton administration, "Star Wars" is prominent again as the newly empowered Republicans begin to push for deployment of a national system of anti-missile defenses and grid for ideological warfare with Democrats on the topic of placing arms in the heavens.

Surprisingly, this turn in the nation's 35-year, love-hate relationship with anti-missile research finds the technology less speculative than before. For the first time, it is mature enough that one class of advanced weapons could be put into space relatively quickly, a fact that is likely to electrify this round of the anti-missile debate.

The weapon is the chemical laser, which gets its energy

from the combustion of fuels similar to those in rocket engines. Though much of its energy is lost as heat, significant amounts can be extracted by mirrors and resonant chambers, emerging as a concentrated beam of light that in theory can flash across space to zap speeding missiles thousands of kilometers away.

In particular, the new maturity centers on a chemical laser known as Alpha, which the federal government has quietly been developing for more than 15 years at a cost of about \$1 billion. In a secluded valley near San Juan Capistrano, California, the sprawling test site for Alpha includes a 50-foot high chamber that mimics the vacuum of space.

Angelo M. Codevilla, a senior research fellow at the Hoover Institution at Stanford University in California and a former staff member on the Senate Select Committee on Intelligence who helped get Alpha started in 1978, said the device was all but ready for deployment in orbit to defend the United States.

"Like it or hate it, this is real," said Mr. Codevilla, who would like to see a dozen or so laser battle stations circling the Earth. "It's not theoretical. It's not some scientist fantasizing about X-ray lasers."

But critics deride the whole idea, saying a fleet of Alpha-type weapons in orbit would violate the Anti-Ballistic Missile Treaty, which was signed in 1972 by the United States and the Soviet Union and bars the deployment of anti-missile arms in space.

The treaty allows the orbital testing of research lasers as long as they are too weak to shoot down long-range missiles. But critics say Alpha, even as a research tool, is so powerful it would fail this legal test and violate the treaty, thus probably touching off a political storm if testing were to advance into space.

And full-blown battle stations, critics assert, are dubious since they would fail to protect the United States

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Security Talks End in Disarray Over Bosnia War

For Europe, Further Signs Of Instability

Russia Blocks Any Reference To the Conflict

By Joseph Fitchett
International Herald Tribune

PARIS — A series of international conferences that were supposed to strengthen the underpinnings of stability in Europe have instead displayed worsening divergences among the United States, Russia

Compiled by Our Staff From Dispatches

BUDAPEST — The European security summit conference ended in disarray Tuesday as renewed East-West tension blocked agreement on how to deal with the war in Bosnia, the Continent's worst upheaval since World War II.

All language on the former Yugoslavia — including a description of Serbs as "aggressors" because of attacks on the UN "safe area" of Bihać in northwest Bosnia — was excised from the final document at the insistence of Moscow, a traditional ally of Serbia.

"The Russians blocked everything," said the chief Bosnian delegate, Mahir Hadziahmetovic, as representatives of the 52-nation Conference on Security and Cooperation in Europe wrapped up a final document mapping out future strategy for preventing conflicts in Europe.

"That means there will be nothing in the final document on the most burning crisis in Europe," he said.

In one of the few positive developments at the meeting, the Russians agreed to a new peacekeeping force for the former Soviet region of Nagorno-Karabakh. But the new chill between Moscow and the West, and especially the Clinton administration, dominated the conference just five years after the collapse of the Berlin Wall.

Edward A. Shevardnadze, the former Soviet foreign minister who played a key role in ending Communist rule in Eastern Europe, voiced the fears of new nations feeling their way after their Cold War.

"We are living through such a frightening peace because the Cold War has not yet rid us of its legacy," said Mr. Shevardnadze, now president of Georgia, which itself is riven by ethnic war. "The war is over. Beware of the peace."

Chancellor Helmut Kohl of Germany told the delegates that it "can only be called a catastrophe" that fighting 300 kilometers (185 miles) away from the conference site was causing the starvation of hundreds of thousands of people but the leaders could do nothing.

"It is an extreme barbarity," Mr. Kohl said. He added: "I don't want to go home and answer the question: 'What have you done for Bihać?' and answer, 'Well we talked and then got bogged down in formalities.'"

Moscow, objecting to what the Russian foreign minister, Andrei V. Kozyrev, called "propaganda," used its veto to stop

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Kiosk

Major Loses Vote On Raising Taxes

LONDON (Reuters) — Prime Minister John Major's government lost a crucial procedural parliamentary vote on Tuesday on plans to increase taxes on home-heating fuel, by 319 votes to 311.

Mr. Major said he would not resign if he lost the vote. But the defeat underscored the prime minister's weak hold over his demoralized Conservative Party. Several Conservative legislators voted against the government or abstained to protest the plan to increase taxes on domestic gas and electricity bills to 17.5 percent from 8 percent.

Bakhtiar Case Jailings

PARIS (AP) — An Iranian convicted of aiding the killers of Iran's former prime minister, Shahpur Bakhtiar, was sentenced Tuesday to life in prison. Ali Vakil Rad, 35, was convicted of taking part in the 1991 murders of Mr. Bakhtiar and an aide near Paris. Zeynol Ahedini Sarhadi, 28, of the Iranian Embassy in Bern, got a 10-year sentence.

Enticements In Peace Plan Win Few Points

By Roger Cohen
New York Times Service

PARIS — Recent changes to a U.S.-backed peace plan for Bosnia seem likely to fall short of demands by Bosnian Serbs and to antagonize the Muslim-led government.

The original plan has been turned on its head. Blandishments to the Serbs have replaced threats. A "final" map is open to adjustment. Bosnia's borders look less

NEWS ANALYSIS

than sacrosanct. And American diplomats are scurrying to visit a Bosnian Serbian leadership that was supposed to be locked in punitive isolation.

But that leadership seems committed to eliminating all Muslim enclaves within the territory it holds, even as the Bosnian government grows more determined to fight a war of attrition that would strip the Serbs of a third of the land they now occupy.

The reversals from the original plan reflect the Clinton administration's abrupt decision that NATO cannot help the Bosnian government and that, as Defense Secretary William J. Perry put it, the Serbs' hold on 70 percent of Bosnia will not be reversed through fighting.

Charles E. Redman, the man chosen to elucidate this turnabout, was pulled this weekend from the comfort of his ambassador's residence in Bonn to trek up an icy Bosnian mountain to Pale, the Serbs' stronghold.

Mr. Redman carried three essential messages.

The first was his very presence, a clear signal to the leader of the Bosnian Serbs, Radovan Karadzic, that ostracism has been abandoned as a means to persuade him to accept the peace plan, which offers 51 percent of Bosnia to a Muslim-Croat federation and 49 percent to the Serbs.

The second was that a federation between Bosnian Serbs and Serbia might be acceptable.

The third message was that international

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Dow Jones	Tues. close	previous close
Down 4.03	1,5723	1,5717
3748.95		
The Dollar		
DM	1.5628	1.567
Pound	100.07	100.355
Yen	5.3975	5.365
FF		

Newsstand Prices	
Andorra.....9.00 FF	Luxembourg 60 L. Fr
Antilles.....11.20 FF	Morocco.....12 Dh
Cameroun.....1.400 CFA	Qatar.....8.00 Riels
Egypt.....E.P. 5000	Réunion.....11.20 FF
France.....9.00 FF	Saudi Arabia 5.00 R.
Gabon.....300 CFA	Senegal.....960 CFA
Greece.....200 PTAS	Spain.....200 PTAS
Italy.....2,000 Lire	Tunisia.....1,000 Din
Ivory Coast.....1,120 CFA	Turkey.....T.L. 35,000
Jordan.....JJD	U.A.E.....8.50 Dirh
Lebanon.....US\$ 1.50	U.S. Mil. (Eur.) \$1.70

Hitler's Drivers' Bunker: History, or Embarrassment?

By Rick Atkinson
Washington Post Service

BERLIN — Beneath the weedy field that was and again will be the heart of the German capital, archaeologists have discovered a veritable obstacle to the reconciliation of Germany's past and Germany's future.

Measuring about 6-by-30 meters and built to last a thousand years, the concrete structure is an eight-room air raid bunker used by Hitler's SS bodyguards and drivers, part of the same subterranean complex — once thought to have been demolished — where the Führer and Eva Braun killed themselves on April 30, 1945.

The walls are covered with elaborate murals of Nazi mythology featuring eagles and SS runes and fair, blue-eyed soldiers. These paintings, the state archaeologist insists in a still confidential report, are worth conserving "to bear witness" and "to give future generations the chance for an on-site consideration of history."

The bunker would probably be incorporated into the basement of a new office building intended to house state government delegations when the federal government moves from Bonn later in the decade. History is rarely convenient in Germany: there are too many ghosts in the closet — or in the cellar. But the notion of protecting an SS redoubt near the center of government has stirred uncommon passion.

The Berlin Culture Ministry recommended late last month that the archaeologist's advice be ignored and that the bunker be sealed forever, thus allowing development of the valuable property south of the Reichstag building — home of

the pre-World War II national legislature — where the Berlin Wall and adjacent "death strip" once ran. City officials also argue that the bunker and murals are historically insignificant but could become a shrine for latter-day Nazis.

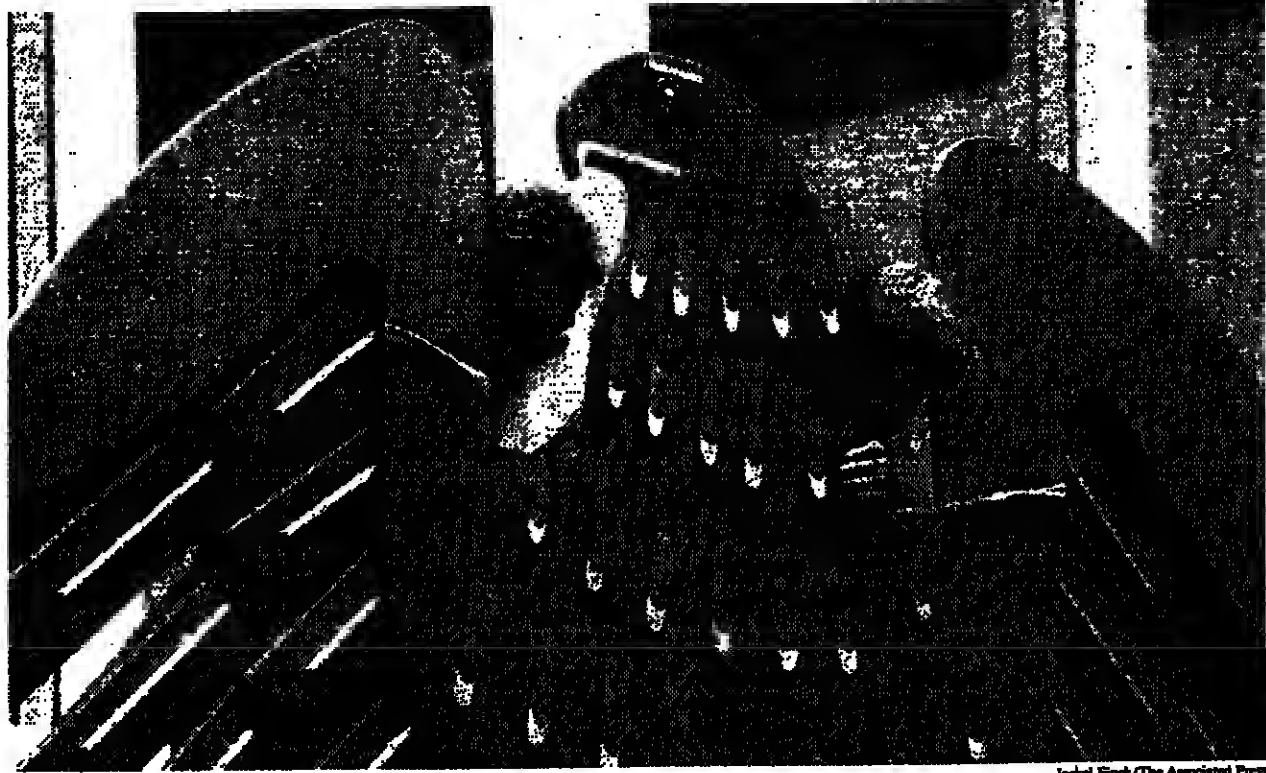
"This simply doesn't involve the central part of the bunker complex, but rather a satellite area," a Culture Ministry report said. "The unimportant neighboring bunker would give subsequent generations a distorted image of the complex's significance and symbolic meaning during the Third Reich."

Reinhard Rüpp, a historian who is director of the nearby "Topography of Terror" ruins where the Gestapo and SS once had their headquarters, concedes that the paintings "have a certain historical value in documenting the combination of supremacist ideology and kitsch" of the Nazi era. But the cost and effort to preserve the surviving subterranean structures "can't be justified," he wrote in the Berlin Senate report.

The apparent willingness to bulldoze history has provoked howls from other historians and liberal politicians, who want both a full debate in the Berlin assembly and public release of the archaeologist's report, which has remained under lock and key for more than a year.

"History can't be handled by blowing it away," said Albert Eckert, a Berlin state assemblyman who has spearheaded the issue for the Greens party. "The triviality of the drivers' bunker indeed speaks to the banality of National Socialist ideology."

Albert Kernl, the Berlin



Workers removing the German eagle in the Reichstag in Berlin on Tuesday, prior to the start of renovations.

archaeologist who explored the ruins and recommended that they be placed under historical preservation, said: "You have to take history together, in its good and bad parts, and not be tempted to throw the bad away."

He added: "The bunker represents material evidence of the catastrophe. It's a frozen monument to the last days of Hitler."

"Here all the history that has been removed from the surface," he added in an interview. "What's left is underground."

That roughly one-third of the subterranean labyrinth near the former chancellery has survived is an accident of history. The SS bunker was first detected in June 1990 by a munitions disposal crew sweeping the newly opened death strip before a rock concert. For two years, city officials dithered before authorizing Mr. Kernl to investigate and determine whether the complex should be safeguarded.

In May 1992, Mr. Kernl and his crew cleared the entryway and clambered down into

the dank chamber for four days of careful measuring and cataloging, according to his report. The floor was covered with 10 inches of water, which had rotted the furniture and mattresses. The explorers salvaged odds and ends suggestive of a place hurriedly abandoned: a helmet, a shoe, a dagger, a gas mask, medical equipment, belt buckles, a wardrobe intricately carved with whirling designs suggestive of swastikas.

Despite the damp, the eight murals remain in remarkably good condition, their colors

bright and their symbolism vivid.

One scene, apparently drawn from the Third Reich's campaign in Greece, shows SS soldiers routing British troops with help from a lightning-bulb hurling Zeus. Another shows SS bodyguards holding medallions above a pair of German lovers and, bizarrely, a pair of German beer drinkers.

Still another depicts SS General Joseph (Sepp) Dietrich, commander of Hitler's bodyguard, with his troops protecting a Catholic convent.

WORLD BRIEFS

UN Troops Fire on Attacking Somalis

MOGADISHU, Somalia (Reuters) — United Nations helicopter gunships and tanks fired Tuesday on Somali militiamen who attacked Bangladeshi peacekeepers as they withdrew from a base near Mogadishu, a military spokesman said.

The Somali troops suffered an unknown number of casualties though the UN troops apparently were unhurt. The shooting broke out after the Somalis demanded that the United Nations pay rent on a riverside camp that UN forces occupied during two years of military intervention.

UN Major Zubair Chatha said the 900-strong Bangladeshi battalion was trying to withdraw from the town of Afgoye before the UN pullout from Somalia when the militiamen struck. The UN Security Council has ordered all UN staff and peacekeepers to leave by March 31.

Europeans Linked to Indian Spy Case

NEW DELHI (Reuters) — A suspect in a spy case involving the Indian space program has alleged that a ring that obtained rocket secrets in exchange for sex and money had links in Germany and Sweden, the Indian Express newspaper reported Tuesday.

The newspaper said that one of the accused had told investigators from the Central Bureau of Investigation of the alleged involvement of Europeans. The inquiry revealed Frankfurt as one of the nerve centers of the spy network, the paper said in a report from Trivandrum, the site of an Indian Space Research Organization rocket project. Interrogation "has also revealed vital links of the spy ring in Germany and Sweden," it said.

Diplomats at the German and Swedish embassies were not available for comment. Indian officials refused to discuss the case. Six people have been arrested: two Space Research Organization scientists, two Maldivian women, the Indian representative of the Russian space agency Glavkosmos and one of his business associates. Further arrests are probable, newspapers have said.

China Chides Hong Kong on Election

BEIJING (AFP) — China reacted Tuesday to the Hong Kong government's announcement of Legislative Council elections next year by reaffirming its intention to dissolve the body when it resumes sovereignty over the British colony in 1997.

The Hong Kong British government's three-tier political structure will come to an end on June 30, 1997, said a spokesman for the State Council's Hong Kong and Macao Affairs Bureau. After the breakdown of talks last year between Beijing and Beijing Governor Chris Patten's proposals to widen democracy, China vowed to dismantle the colony's legislative and executive councils, together with the smaller district boards. The talks between China and Britain on Mr. Patten's proposed changes broke down last year after 17 rounds, but the Legislative Council passed the measures in June.

After 4 Months, UN Aid Gets to Kabul

KABUL (Reuters) — The United Nations and aid agencies began handing out badly needed food and relief supplies to residents of the shell-shattered Afghan capital on Tuesday, after the arrival of the first aid convoy in four months.

A UN convoy of more than 50 trucks arrived in Kabul on Monday night carrying about half of the more than 1,500 tons of relief supplies expected to arrive there this week from UN stores in Pakistan.

The convoy is the first since August allowed into the city by Prime Minister Gulbuddin Hekmatyar, whose forces have been laying siege to Kabul for much of this year in a struggle for power with President Burhanuddin Rabbani.

Nigeria Panel Sets Junta's End in '96

ABUJA, Nigeria (Reuters) — A conference framing a new constitution for Nigeria decided Tuesday that the military should relinquish power at the start of 1996.

Adolphus Karibi-Whyte, the conference chairman, also said that the military government, the Provisional Ruling Council, "shall immediately draw up a transition timetable which shall swear in the elected civilian president on 1 January, 1996."

The military government, which seized power last year after the annulment of a presidential election "intended to restore civilian rule," has agreed that its tenure would be decided by the constitutional conference.

For the Record

Jacques Delors, the European Commission president, said Tuesday in a television interview in Budapest that he had made up his mind whether to run for the French presidency next year, but he declined to disclose his decision. (Reuters)

A runaway truck smashed into a restaurant at a shopping center Tuesday in Andorra la Vella, Andorra, killing at least 8 people and injuring at least 50, the authorities said. (AP)

Algerian security forces killed 14 Muslim rebels, including 10 in a raid on a hideout in Algiers, the official Algerian press agency, APS, reported Tuesday. (Reuters)

Firebomb attacks were made on two Turkish banks and a Turkish-owned travel agency in Cologne, the police said Tuesday. A police spokesman said leaflets from a Turkish Communist party, TKPML, had been found at the scene. (Reuters)

TRAVEL UPDATE

Egyptians Steer Visitors to New Sites

CAIRO (AFP) — Egyptian tour operators have begun to promote little-known historical sites around Cairo rather than risk their customers' lives at more famous attractions in the troubled south of the country.

The ancient temples of Karanis, the Labyrinth tomb and the Hawara pyramid, all in Fayum, near the capital, are gradually edging out the grander tourist sites in the south in the agencies' brochures. Twelve tourists have been killed by Islamic militants in Egypt since 1992. Most militant attacks take place in southern provinces.

Fayum, 100 kilometers (60 miles) south of Cairo, was a home for fundamentalist activities but has been calm for some time now, said Nadia Shamseddin, a tourism guide. "The monuments there are in isolated locations and are easy to protect," she said.

The Lido, Paris's celebrated music hall, has reopened after a monthlong \$13 million face-lift. The Champs Elysees landmark had been scheduled to open Nov. 29, but problems with computers forced a postponement until Dec. 1. After a further delay, it opened Monday. Management denied that the delays were linked to union opposition to 15 percent salary cuts that have been accepted by Lido staff. (AFP)

China's first high-speed train is to go into formal operation this month, Xinhua reported. It said the passenger train between the southern city of Guangzhou and the Shenzhen special economic zone, 120 kilometers (75 miles) apart, can travel at average speeds of 160 kph. (AFP)

Dublin Crisis Widens as Promising Effort to Form New Coalition Collapses

By James F. Clarity
New York Times Service

DUBLIN — The Irish political crisis accelerated Tuesday as efforts to form a new government collapsed for the second time in a month in a dispute over the handling of a case involving a Roman Catholic priest who was accused, and eventually convicted, of child molestation.

A new coalition government

of the Fianna Fail and Labor parties had seemed likely until Labor's leader, Dick Spring, pulled out of negotiations early Tuesday.

That move increased the likelihood of a new national election later this month or in January.

Mr. Spring, who broke up Ireland's coalition government three weeks ago, forcing the resignation of Albert Reynolds as

prime minister, had been close to an agreement with Mr. Reynolds' successor as party leader, Bertie Ahern.

But at 2 A.M. Mr. Spring pulled out again after learning that Fianna Fail ministers had apparently been involved in Mr. Reynolds' duplicity in misleading Parliament in reporting how his attorney general, Harry Whelehan, had handled the case of the priest.

The new evidence against Fianna Fail, made public Monday in the Irish Times, showed that Mr. Reynolds had actually sought Mr. Whelehan's resignation on Nov. 14, the day before he defended him in Parliament, and that Fianna Fail ministers knew this.

Mr. Reynolds had promoted Mr. Whelehan to president of the High Court, the country's

second highest judicial post, over Labor objections. Both Mr. Reynolds and Mr. Whelehan resigned on Nov. 17.

The Parliament was to debate the latest developments, with the outcome in doubt.

There was the possibility of forming a coalition between Labor and two opposition parties, Fine Gael and Democratic Left, but most experts felt a new election would be called.

Some analysts felt that a prolonged delay in forming a government could impede the Northern Ireland peace effort, although all Irish Republic parties have pledged support for the process.

On Friday, officials of the Irish Republican Army's political wing, Sinn Féin, and the British government are to have their first official meetings in 22 years in Belfast.

Russia Avoids Intervention in Chechnya

By Lee Hockstader
Washington Post Service

MOSCOW — Russia and the breakaway republic of Chechnya backed away Tuesday from the brink of a potentially bloody military conflict, pledging to resolve the crisis peacefully.

In a breakthrough, the Russian defense minister, General Pavel S. Grachev, and the Chechen leader, Dzhokhar Dudayev, emerged from a 90-minute meeting, called for champagne, and said, "There will not be a military solution to the question."

The accord came after months of escalating tensions, an ultimatum delivered and then softened by President Boris N. Yeltsin last week and a subsequent buildup of Russian troops deployed not far from the Chechen border.

The details of the deal worked out by the two men were not disclosed, but a central element appeared to be General Du-

dayev's assent to release 20 Russian servicemen held as prisoners of war since they were captured nearly two weeks ago in an unsuccessful raid on the Chechen capital, Grozny.

It remained unclear, however, whether there would be any resolution of the political question at the heart of the crisis, which turns on General Dudayev's insistence that Chechnya is an independent republic and Mr. Yeltsin's refusal to recognize it as anything but a part of Russia.

General Dudayev acknowledged as much Tuesday, saying, "Today we have agreed on a peaceful solution to the military aspect. Now we have to solve the political aspect."

Chechnya, a tiny, landlocked enclave of 1.2 million people about 1,500 kilometers south of Moscow, was conquered by Russia in the last century after decades of bloody fighting.

Proud and defiant, the Chechens declared their independence anew when the Soviet Union collapsed in 1991. Moscow's attempt at the time to move soldiers in and assert its authority in Grozny ended in humiliating failure when the troops were harassed and forced to withdraw.

Twice in recent months, Chechen rebels armed, equipped and assisted by Russia tried and failed to storm Grozny and capture General Dudayev. It was in the last attempt, on Nov. 26, that Russian Army servicemen, recruited by the former KGB to help the rebels, were captured by forces loyal to General Dudayev.

At first Russian officials denied the prisoners were Russian troops. But as the truth became apparent, Mr. Yeltsin gave the Chechens 48 hours to lay down their weapons and release the prisoners.

FRAUD: Deutsche Telekom Employees Suspected of Bilking Customers

Continued from Page 1

company," as another Telekom executive put it, industry sources said Telekom's bureaucratic structure had both contributed to the proliferation of abuse and inhibited attempts to fight it.

News of the probe comes less than two weeks after the German government, amid considerable fanfare, unveiled an all-

star, international banking consortium that is to orchestrate the placement of 15 billion Deutsche marks of Telekom stock starting in 1996.

"No one in Telekom's top management could believe something like this existed," said an industry source who discussed the probe on condition of anonymity. "Middle and lower management cover these things up so as not to jeopardize their own careers. The lower ranks are quick to hold out their hand."

The investigation involves several types of fraud used to generate phone traffic between Germany and Caribbean islands after which organized crime and Telekom employees split the revenue generated at the expense of the company and its customers.

The police dragnet follows several years in which complaints from Telekom customers about unusually high phone bills have exploded. Overall complaints rose from 340,000 in 1991 to 430,000 in 1992 and 600,000 last year, of which 300,000 were complaints about bills.

At first, Telekom accused anyone who questioned erratic bills of calling foreign phone sex companies without realizing how much it was costing them.

The daily Bild, in fact, runs a quarter-page of such "party line" numbers every day without individually noting that the numbers listed incur international charges.

Because most German telephone bills are not itemized, the burden of proof in cases of alleged phone fraud has traditionally favored Telekom.

"There's definitely a connection between the start of foreign phone sex services in 1992 and the number of complaints about excessive bills," a Telekom spokesman said.

U.S. Supports Israelis On West Bank Delay

Washington Post Service

JERUSALEM — Secretary of State Warren M. Christopher sympathized Tuesday with Israel's inclination to delay troop withdrawals from parts of the West Bank over the issue of attacks by Islamic nationalists on Israelis.

Mr. Christopher arrived in Jerusalem from Damascus for talks with Prime Minister Yitzhak Rabin and with Yasser Arafat, chairman of the Palestine Liberation Organization. Customarily, the United States has urged Israel and the Palestinians to implement their peace agreement as soon as possible. In this case, however, Mr. Christopher threw Washington's weight behind the Israeli position that Mr. Arafat must first control the Islamic militants.

"Security pledges are absolutely fundamental to the process going forward," Mr. Christopher said. "Unless there's security, it's clear that the other commitments cannot be met."

Mr. Rabin's cabinet was scheduled to meet Wednesday to discuss withdrawal strategy.

Talks between Israel and the PLO are under way in Cairo to set a date for elections in the West Bank. According to the peace agreement, the election will be preceded by a pullback of Israeli troops from major Palestinian cities. It is this withdrawal, which would extend Palestinian rule over much of the West Bank, that is immediately at stake.

While counseling delay in the Israeli-Palestinian schedule, Mr. Christopher expressed impatience with the stalled Israeli-Syrian talks. Earlier in Damascus, he met for four hours with Syria's president, Hafez Assad. Mr. Christopher warned that the slow pace created an opening for forces that oppose talks.

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THE AMERICAS / NEWT'S RIGHT HAND MAN



Newt Gingrich, after being chosen as the first Republican House speaker in 40 years.

Dick Armey: An Improbable Majority Leader

By Katharine Q. Seelye
New York Times Service

WASHINGTON — Here is how Newt Gingrich says someone can tell that a "revolution" is truly at hand: When he and Senator Bob Dole of Kansas had to leave an important meeting of Republicans, they left Representative Dick Armey and Senator Trent Lott in charge.

Mr. Gingrich, the next speaker of the House, told this anecdote to a gathering of conservatives here, and the audience cheered wildly.

Mr. Armey, a 54-year-old former economics professor from Texas, is widely perceived as farther right and more hot-headed than Mr. Gingrich — and as an improbable leader. He used to sleep in the House gym to save money; he has implied that Hillary Rodham Clinton was a Marxist, and, upon meeting her, he said, "The reports on your charm are overstated, and the reports on your wit are understated."

But on Monday, Mr. Armey, whom the Almanac of American Politics once dismissed as "hardly likely to be a power in the House," was crowned during a jubilant ceremony on Capitol Hill as the first Republican majority leader in 40 years.

Like Mr. Gingrich, Mr. Armey is eager to rise above his Dennis-the-Menace reputation and show that he can be constructive.

"We didn't win power; we gained responsibility," Mr. Armey told the sixth annual Conservative Leadership Conference. "We do not view ourselves as a temporary strike force. We view ourselves as a permanent presence."

Whether Republicans maintain that presence will depend in part on how Mr. Armey, who is beginning his sixth term in the House, conducts himself in the 104th Congress.

In an interview in his Capitol Hill office, Mr. Armey, a tall former marathon runner with a sunny demeanor, said his days of defiance were over.

Being a member of a "repressed minority" — House Republicans — had forced him to be uncharacteristically confrontational, he said. Those were the had old days, when he did things like acidly hiss on the House floor to Democrats that "your president is just not important to us," a remark that disturbed even his fellow Republicans.

"I was just trying to fight for some turf to stand on," he said, adding, "Now I own the playing field."

As majority leader, he will serve as Mr. Gingrich's commander in the field. His first duty: within 100

They have managed to put aside two pretty formidable egos to form a very good working relationship," said Ed Gillespie, a spokesman for the House Republicans. "As Newt says, 'Armey put aside my ego, and I put aside Armey's.'"

Although he is a central figure now in his party's establishment and was unchallenged for majority leader, Mr. Armey first came to Washington 10 years ago with the air of the citizen-legislator that the Republican contract promotes. Chairman of the economics department at North Texas State University in Denton, Texas, he was watching the House proceedings on C-SPAN one night in 1984 when he turned to his wife and said, "Honey, these people sound like a bunch of darn fools." She said, "Yeah, you could do that."

Beating the incumbent Democrat in his suburban Dallas district, Mr. Armey made news during his first term by sleeping on a cot in the House gym to save money. When evicted, he repaired to his office couch.

He now rents a house in Maryland, where he lives with his second wife, Susan. They have five grown children from previous marriages. He will use the limousine and driver that come with the job of majority leader only to get around Washington; to and from work, he will continue to drive his red pickup truck, which sports a "Jimmy Buffet for President" bumper sticker. He is an avid fisherman; among his angling companions is Justice Clarence Thomas's wife, Virginia, is on Mr. Armey's staff.

To Mr. Armey, America's chief problem is big government.

"Government is too big and in its excessive size does too much of the wrong thing in the wrong way," he said. "Fat weakens muscle." His most notable achievement as a legislator was writing a bill that depoliticized the process of shutting down obsolete military bases.

He is eager to rise above his Dennis-the-Menace reputation and show that he can be constructive.

days, to engineer votes on the 10 items in the "Contract With America," the Republican's campaign agenda, including a balanced budget amendment and term limits.

He calls the contract merely the "shakedown cruise of the counterrevolution," predicting a far more drastic parsing down of government once the Republican ship is under full sail.

He and Mr. Gingrich are expected to work well together. They are not personally close, but they share a similar background and many goals. Earlier this year, they fused their considerable powers of positive thinking to convert the Republican "minority mentality" into a "majority mentality." They forged the contract together — sharing a deep commitment to such items as eliminating welfare payments to unwed teen-age mothers — and helped usher in the new order on Nov. 8.

POLITICAL NOTES

Grinding the Ax on Safety Nets

WASHINGTON — A staff report of the president's bipartisan commission on entitlements and tax reform has recommended far-ranging, politically explosive changes that would gradually raise the Social Security retirement age, impose higher Medicare insurance premiums and deductibles for most senior citizens and eliminate the federal tax deduction for interest on home mortgages.

The commission staff has also recommended reducing congressional retirement benefits by as much as 40 percent, cutting Social Security benefits for wealthier people and slashing or eliminating a number of highly popular tax breaks for middle- and upper-income Americans, including the mortgage interest deduction and the deduction for state and local income taxes.

The 32-member commission is scheduled to review the recommendations on Friday and vote on a final package next week.

But the panel is dealing with among the most sensitive issues in politics and many involved in the process are skeptical that the commission can reach an agreement. (WP)

Quayle Checks Out of Hospital

INDIANAPOLIS — Scanned, rested but not quite ready to reveal his presidential intentions, former Vice President Dan Quayle left the hospital here on Tuesday after eight days of treatment for blood clots in his lungs, vowing to make a full recovery and promising a decision on his political future early in the new year.

"I'm on the mend, the recovery is going better than expected," a pink-cheeked, chipper-looking Mr. Quayle said at a brief news conference at the Indiana University Medical Center. His doctors have insisted that he limit his schedule and forgo air travel for at least a month.

Mr. Quayle, 47, is widely expected to seek the 1996 Republican nomination for the presidency. He insisted Tuesday that his illness would have no effect on his course.

Noting that his doctors believe that a blood clot developed in his right leg from prolonged sitting on airplanes, before break-

ing up and lodging in his lungs last week, he urged air travelers to get up and walk around in the aisles at least once an hour. (NYT)

Reagan Came Near Death in '81

CHICAGO — Doctors who attended Ronald Reagan after a gunman tried to assassinate him recounted on Tuesday how close the then-70-year-old president came to death.

Shot on March 30, 1981 outside a Washington hotel, Mr. Reagan was bleeding internally, had lost the use of one lung and collapsed into shock minutes later outside a hospital.

"If he had gone to the White House he would have died because of blood loss, primarily," said S. David Rockoff, the radiologist who attended Mr. Reagan at George Washington University Medical Center. Mr. Reagan asked to be taken to the White House, but a Secret Service agent took him to the hospital against his wishes.

Dr. Rockoff and Benjamin Aaron, a surgeon, co-wrote an article about the episode in the Journal of the American Medical Association.

Mr. Reagan lost one-third of his blood supply from wounds caused by the .22-caliber bullet that ricocheted off his limousine, entered his chest near an armpit, deflected off a rib through his left lung and stopped within an inch of his heart. Had the bullet struck his heart, he likely would have died, Dr. Aaron said in a telephone interview. (Reuters)

Quote/Unquote

Representative Dave McCurdy, chairman of the Democratic Leadership Council, who lost a Senate race in Oklahoma: "Bill Clinton won as a moderate Democrat, a new Democrat, a DLC Democrat. But he has governed as something else — not as a liberal as the Republicans say, but as a transitional figure. For while Bill Clinton has the mind of a new Democrat, he retains the heart of an old Democrat. The result is an administration that has pursued elements of a moderate and liberal agenda at the same time, to the great confusion of the American people." (AP)

Away From Politics

- Three strong aftershocks from a devastating Jan. 17 earthquake in Northridge jolted the Los Angeles area, sowing panic in movie theaters and shopping malls but causing no damage or injuries.
- Scientists using the Hubble Space Telescope have sighted galaxies up to 12 billion years old, the U.S. space agency said Tuesday. NASA said the sightings had provided scientists with their clearest views yet of ancient,

roundish galaxies, or clusters of stars and star-like objects.

- The Rocky Flats nuclear site near Denver is the government's most vulnerable and poses serious health threats, with 14 tons of plutonium stored in unsafe buildings, according to a U.S. Energy Department report.
- The Archdiocese of Santa Fe has sold a sprawling retreat in Albuquerque to help pay for numerous lawsuits arising from sexual abuse charges against priests, a church official said Tuesday.

Reuters, AP, AFP

Clinton Ally TREASURY: Bentsen Successor Set Clinton Policy In Deal on Whitewater

The Associated Press

LITTLE ROCK, Arkansas — Webster Hubbell, the former No. 3 Justice Department official and a close friend of President Bill Clinton's, pleaded guilty Tuesday to bilking his former law firm and clients out of nearly \$400,000.

In a plea agreement, Mr. Hubbell, 46, pledged to cooperate with the investigation by the Whitewater prosecutor, Kenneth Starr, into the business activities of the Clintons and other prominent Arkansians.

Mr. Hubbell pleaded guilty to mail fraud and tax evasion, two felonies. The charges carry a maximum of 10 years in prison and \$500,000 in fines. Judge William R. Wilson of U.S. District Court released Mr. Hubbell on his own recognizance.

Mr. Hubbell was accused of defrauding his former law firm in Little Rock and its clients of \$394,000 from 1989 to 1993 through excessive billings.

The tax-evasion charge stems from underreporting his income for 1992. Mr. Hubbell reported he had made \$194,000 that year but actually made \$309,000, according to the charges.

Mr. Clinton's lawyer sought to distance the White House from Mr. Hubbell's troubles.

"This matter simply does not concern the president, the first lady or Whitewater Development Company in any way," said the attorney, David Kendall. "The charges here are totally unrelated. They arise out of Mr. Hubbell's personal income tax returns and individual billing procedures as an attorney in private practice in Little Rock before he came to Washington."

The charges against Mr. Hubbell stemmed from allegations first brought by former colleagues at the Rose Law Firm of Little Rock, where Mr. Hubbell and Mrs. Clinton were partners.

Mr. Starr took over the case even though it is not directly related to the Clintons' Whitewater land venture.

Continued from Page 1

to override Hillary Rodham Clinton's demand for a radical overhaul of the U.S. health system, which later was defeated in Congress.

Mr. Clinton is looking for a successor to Mr. Rubin with his ability to guide policy in a White House notorious for ideological and turf wars. One Rubin deputy, Bowman Cutter was rejected for his rough bureaucratic tactics. The name most mentioned is the deputy White House chief of staff, Erskine Bowles, a former investment banker who defended Mrs. Clinton's health care plan against small business.

In his Rose Garden statement, Mr. Rubin alluded to his most singular success: persuading the president that reducing the budget deficit would improve the economy through lower interest rates. He said the test of future success, "as in the

past, is to do the right thing, to be fiscally responsible, to let people know what we have done and to judge us accordingly."

However successful this deficit-cutting policy may have been in jump-starting the economy, it was proven a political disaster of historic proportions by the Republicans' congressional victories last month.

In addition to a conservative social agenda, Republicans won by promising disaffected male wage earners an income tax cut and by pledging to cut the capital gains tax, especially to cut the cost, size and reach of government.

"What the administration really needs now are people who can work with Congress, and that is not Bob's forte," said a senior financial official in Washington.

Mr. Rubin believes that cutting capital gains taxes does not

increase investment — on which he differed with Mr. Bentsen. He favors programs for the poor, which now will be attacked by the Republicans.

News of Mr. Bentsen's impending retirement had been circulating in Washington for some time, and Mr. Clinton disclosed that his Treasury secretary told him in September that he planned to leave. Nevertheless, his old congressional colleagues suspected he wanted to get out of a failing administration.

"The rats are leaving the sinking ship, and nobody has a better sense of timing than Bentsen," said a senior congressional staffer, alluding to rumors of impending resignations by Housing Secretary Henry G. Cisneros, Energy Secretary Hazel R. O'Leary, Secretary of State Warren M. Christopher and Commerce Secretary Ronald H. Brown.

Doctor's Killer Is Condemned

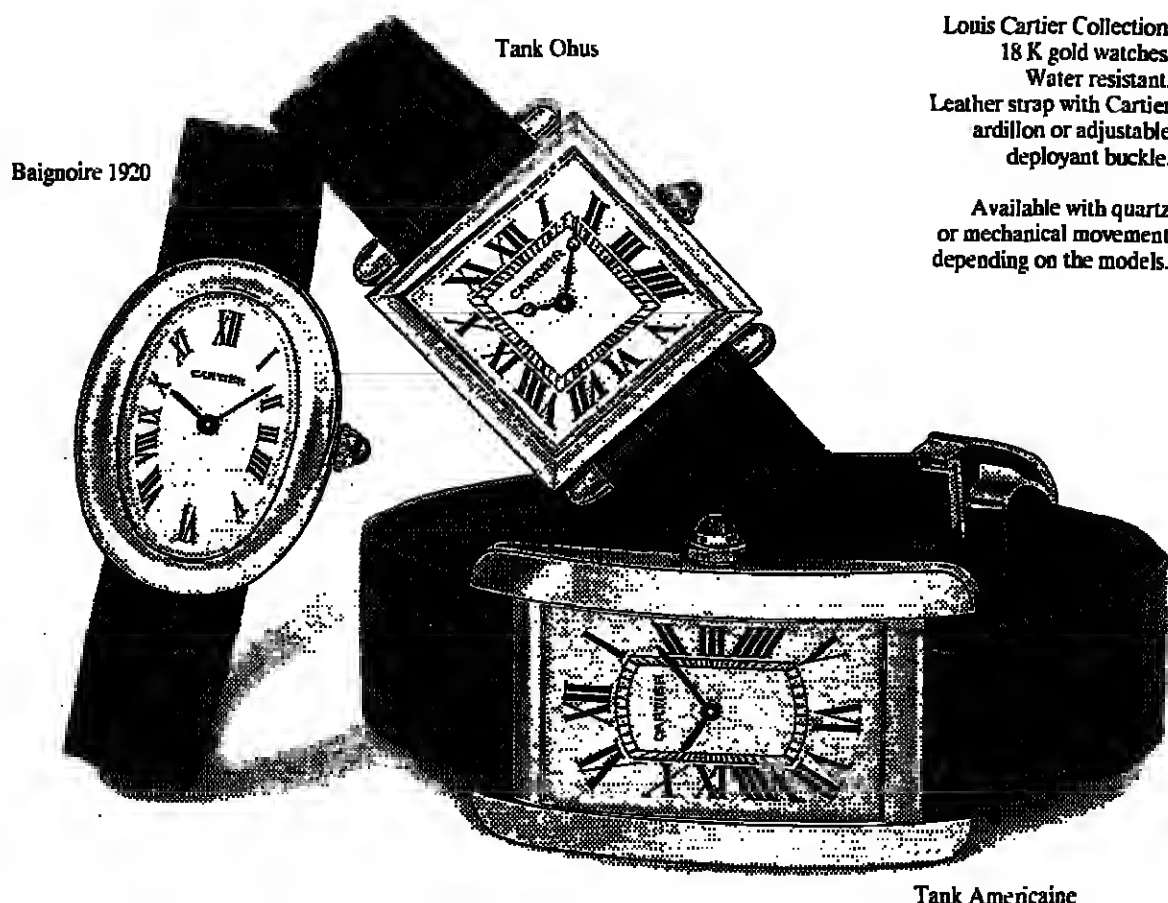
The Associated Press

PENSACOLA, Florida — Paul Hill was sentenced Tuesday to die in the electric chair for the shotgun slaying of a doctor and an escort outside an abortion clinic on July 29.

The jury that convicted Mr. Hill, 40, a former minister, of first-degree murder recommended the death penalty for the slayings of Dr. John Bayard Britton, 69, and a retired air force lieutenant colonel, James Barrett, 74. Colonel Barrett's wife, June, was wounded in the attack.

The state death sentence takes precedence over the federal sentence of life in prison that Mr. Hill received last week, Assistant U.S. Attorney David McGee said.

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Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Presidency at Stake

The Battle to Govern

Representative Newt Gingrich's free-wheeling performance on "Meet the Press" and Senator Bob Dole's earlier foray into diplomacy affirm the Republican leadership's ability to dominate the news at the expense of a rickety White House. But the larger message is this: The Republican challenge to President Bill Clinton's ability to lead the government and establish a national policy agenda has now been fully joined.

This is political combat carried to its most exalted — or at least most extreme — level. The Republicans are trying to use the strength gained from their Nov. 8 election victory to settle preemptively the question of the president's fate and thereby determine the outcome of the 1996 presidential contest.

For students of politics, the level of play can hardly get more exciting or complex. Indeed, it is such a diverting show that it takes discipline to keep one's attention on the serious business of state that must continue. Orderly diplomacy in a fractious world depends on some measure on President Clinton's ability to defeat this bald attempt to put Congress rather than the White House in control of foreign policy.

Mr. Gingrich's proposal for punitive bombing of the Serbs, after first sending Colin Powell to deliver a read-my-lips warning, is reckless. Mr. Dole's more measured formulation betrays his steady grasp of the world scene. He is right that administration inconstancy and British-French recalcitrance led to a confused policy. But Mr. Clinton is on the most sensible track of all in pressing for the diplomatic conclusion that is at hand rather than to undertake Mr. Gingrich's promiscuous unilateral bombing campaign at a time when the Western alliance needs greater unity.

Of course, the Republicans' real game has less to do with Bosnia than with their hopes to reduce Mr. Clinton's remaining two years to irrelevance. Mr. Gingrich may have picked up a touch of Helms Disease, but Democrats are foolish to

think that just because he blows off steam he will blow a gasket. He knows how to market nostalgia and oversimplified remedies with Reaganesque vigor; hence his talk about Boys' Town and selling off a House office building as symbols of the new frugality. He also understands the power of diversionary cultural issues; hence the casting of a momentous constitutional issue as a parable about a praying schoolboy.

The real issue gets touched on only from time to time. Are the American people willing to endure his proposed 20 percent cut in existing social services programs to finance a tax cut for the affluent and an enlarged military to face a diminished threat?

Right now, the Republicans are ripping along with such force that they can blow by such questions. Indeed, skirmishing with the White House over orphanage, drug use and hippie values diverts attention, for example, from Mr. Gingrich's harmful plan to balkanize rather than reform the welfare system. But give the Republican leadership credit. It has invigorated the policy debate and driven Mr. Clinton to the margins.

Al From, chairman of the Democratic Leadership Conference, has tried to get his party back in business with a promise of "hand-to-hand combat for every inch of ground on the battlefield of ideas." The Republican "Contract With America," he said, amounts to "poll-tested bromides and bumper-sticker slogans." That is the kind of talk it will take to slow down the Republican legislative bandwagon with its load of reckless fiscal remedies and dictatorial social controls.

But the person who needs to be taking on the rampant Republicans is missing from the debate right now. Given his silence, it is interesting to speculate whether Mr. Clinton realizes that the congressional election started a leadership battle which will, in turn, determine his viability as a presidential candidate in 1996. That determination will probably be made in a matter of weeks or months, or, in any event, long before 1995 is over.

—THE NEW YORK TIMES

Gingrich Goes Too Far

On television on Sunday, Speaker-to-be Newt Gingrich loosed the charge that "up to a quarter of the White House staff, when they first came in, had used drugs in the last four or five years." "I'm not making any allegations of any individual person," he went on to say, "but . . .

Whoa. Wait a minute. Hold on there. You can't make a charge like that on national television, then wash your hands of it two sentences later and, having been the accuser, go on to play the tidy civil libertarian with regard to your own public accusations. Either you have the evidence for a charge like that, or you don't make it. That is true, or ought to be, at every level of public life, but especially at the level to which Mr. Gingrich now ascends.

He was under pressure from NBC's Tim Russert to defend his recent description of the Clintons, both president and Mrs., as members of the counterculture, when he — Mr. Gingrich — also had acknowledged having smoked marijuana as a graduate student in the Vietnam era. "My point was not about the attitude of 25 years ago," he responded. "My point is, you've got scattered throughout this administration counterculture people. I had a senior law enforcement official tell

me that, in his judgment . . ." — and then came the business about a quarter of the White House staff.

He was not accusing any individual, he continued, but "it is very clear that they had huge problems getting people through security clearance, because they kept bringing people in who had a lot of things that weren't very easy to clear." That, said Mr. Gingrich, was "a current problem . . . not 10 or 15 or 20 years ago."

But that is awful. The White House says its people were subject to drug tests on assuming their jobs and are subject to random testing in office under essentially the same rules that applied in the Bush administration. If they are using drugs while on the White House payroll, they ought to be fired. If they ever used them before — well, what is the rule as to the rest of the society, or even the rest of the government for that matter? The rule with regard to congressional staff members, for example?

We have no idea what the problems were with regard to security clearances for the White House staff. If Mr. Gingrich thinks it is an important issue and has something to say about it other than hearsay, fine; that is fair game, we suppose. What happened on Sunday was not fair.

—THE WASHINGTON POST

Journalists in Danger

Journalists in many lands risk their lives to report the news, but many Americans are unaware of the special risks taken in their own country by reporters who write for immigrant and expatriate communities. A report by the Committee to Protect Journalists, for many years a monitor of the dangers faced by mainstream media reporters, points up the need for this special awareness by the profession, law enforcement and the public.

Journalists for expatriate publications and radio stations, reporting on matters of deep controversy concerning their native countries, have been murdered in the United States. The committee cites 10 cases since 1981 involving Vietnamese, Haitian, Chinese-American and Cuban-American journalists. Others have been threatened with violence.

The committee suggests that failure of these assassinations and terror tactics to draw more attention is an indictment of mainstream media as much as of law enforcement. Perhaps the committee is correct that news managers do not find this violence newsworthy or think that the public will not care. In any case, it rightly demands that attention be paid.

Responding to the committee's call for a Justice Department investigation to as-

sess the dangers, Carl Stern, the department's spokesman, said investigations were indeed under way. He added: "There is a higher level of action than this committee may be aware of." Exactly so. The government needs not only to act on these cases, but also to be sure the public knows that it is acting.

—THE NEW YORK TIMES

Other Comment

Better Place Because of GATT

The world will be a smaller and better place, starting as early as Jan. 1, because of the hipster wisdom of three presidents and the 1034 U.S. Congress in enacting the world trade accord expanding the General Agreement on Tariffs and Trade. With the globe's dramatic shrinkage for communications and travel, most trade barriers are anachronisms that impoverish the peoples of the world. The new GATT will not end such barriers, but it greatly reduces them. This will be a boon to American consumers. It will be an even greater benefit for American workers and companies.

—The Baltimore Sun

Peacekeeping Needs More Work and Support, Not Less

By Jessica Mathews

WASHINGTON — After Bosnia's obituary notices, will those of international peacekeeping be far behind? After the appalling failure to construct and how to any coherent policy in the former Yugoslavia, and with violence escalating in Somalia after the expenditure of \$3 billion, it might seem that the quicker such operations are buried, the better.

If that happens, and it may, it will compound the first post-Cold War mistake, of expecting too much of what we optimistically call the international community, with another that will prove at least as expensive — accepting too little.

Peacekeeping missions have exploded in number and complexity.

In four decades the United Nations undertook only 13 of them. Most involved conflicts between well-defined, functional states that had either fought themselves to exhaustion or were determined to avoid doing so. The United Nations was invited in by both sides to ensure a negotiated settlement or to help willing participants create one.

Today, Bosnia is one of 17 peacekeeping operations. More was spent on this account last year than in the previous 43 years combined. Few remotely resemble the straightforward, first-generation missions. Many involve one state — 89 of the 92 conflicts since the Berlin Wall fell have been civil wars — or, effectively, none.

In Bosnia, as in many of the others, there was never a peace to keep nor even

an inclination toward peace to exploit. And in the least successful cases, enormous humanitarian crises ensue with a political-military one. These are a new phenomenon: peacekeeping and emergency humanitarian relief operations.

There have been some successes, notably in El Salvador and Cambodia. And even in what must be accounted the failures, there have been some tremendous achievements. In Rwanda, in remote areas with practically no transportation or communication facilities, food, water, sanitation, shelter, medical care and burial services were provided in the space of one month for more than 800,000 refugees.

But on balance the record has to be accounted pretty bleak. Complex military missions are still patched together by borrowed money. Funding is begged and borrowed, always late. There is no mechanism for learning the lessons of prior mistakes or identifying what worked well. Worse, there is no operational doctrine for these kinds of missions. Even the much fought-over U.S. peacekeeping policy, for all its restrictions and conditions, had nothing to offer on this point.

Almost every aspect of these operations needs scrutiny. The practice of drawing people into safe havens, to take one example, may have more drawbacks than benefits. These gatherings force

people onto the international dole, and by concentrating all the internationally provided supplies in one place they create an irresistible target. In poor developing countries, the mass of people often also destroys the local environment.

The single greatest difficulty is that peacekeeping and humanitarian aid are fundamentally incompatible in one crucial respect. Humanitarian relief demands strict neutrality. The Red Cross does not pick and choose whom it succors. Peacemakers, by contrast, must often recognize one side as the aggressor. Failure to do so, as in Bosnia, dooms the mission to irrelevance or worse.

When two such dissimilar operations are entangled, as they now most often are, both suffer.

Neutrality hurt every aspect of policy in Bosnia. It snaggled diplomacy by undermining the greater legitimacy of the Bosnian government. It undermined economic sanctions by delivering a lot of fungible supplies (supplies for civilians free up other supplies for soldiers) to the Serbs. It blocked military options because of the need to protect the relief work.

On the other side, Bosnia and other experiences make humanitarian workers worry whether trying to provide relief in the midst of a hot conflict merely prolongs the fighting and produces, in the macabre jargon of these troubled times, well-fed dead.

Neutrality is not the only vital differ-

ence. Humanitarian operations seldom divide governments. And while they are expensive, they seldom risk lives — the price that Western governments, in particular, are less and less willing to pay. The political side of the same operation, however, often rests on narrow support and may well entail a blood risk.

Trying to invent responses crisis by crisis is a staggering number of players — more than a dozen UN agencies, regional organizations ranging in capacity from NATO to the Organization for African Unity, several dozen donor governments, the individual militaries and an estimated 16,000 citizens groups.

Operating without a clear idea of whether humanitarian and peacekeeping missions should be separated or better integrated, without tested military doctrine and, usually, with little coordination (money for coordination is always the hardest to raise), it is perhaps a miracle that the results have not been worse.

Political, demographic and environmental stresses suggest that these complex crises will keep on erupting. Dismissing the potential for effective international responses out of disappointment with early failures isn't an answer. The system needs more work and more support, not less.

The writer is a senior fellow at the Council on Foreign Relations. She contributed this comment to The Washington Post.

A Test for Turkey: Liberty or Oppression for Kurds in Parliament?

By Leyla Zana

The writer is a Kurdish member of the Turkish Parliament.

As legislators we have to speak out, explore all paths to end this frightful war, which has torn our country asunder, and seek a peaceful settlement for Turkey's 15 million Kurds in a framework of democracy and existing frontiers.

To speak freely in a country ruled by an anti-democratic constitution and laws imposed by military dictatorship is risky, even for legislators. Death squads have killed more than 2,000 political and human rights activists uninvolved in the fighting.

Among them were 82 activists of our Kurdish Democratic Party and 34 journalists and newspaper distributors. Such is the price for challenging the official military version of events.

For similar reasons, 106 journalists, academics and writers are imprisoned. My husband, Mehdi Zana, a former mayor of the main Kurdish city of Diyarbakir, spent 15 years in prison for speaking out; now he is back serving a four-year jail term for testifying before the European Parliament.

cratic state of law. They recommended that we be freed and given back our parliamentary seats.

Prime Minister Tansu Ciller has said the Kurds have brainwashed Western governments. Officials suspect that these non-governmental organizations are crypto-terrorists, and have banned even Amnesty International.

The authorities are prisoners of out-of-date nationalism and are paranoid about "Kurdish separatism." Kurdish legislators make perfect scapegoats for modern Turkey's most serious economic, political, social and moral crisis.

This absurd war has cost more than 15,000 lives, and devours almost half the budget. That is why the military leaders want to calm public opinion with a few token Kurdish victims.

I am 33. For 14 years I have lived with persecution and seen friends tortured or killed for wanting to live in peace and democracy with Turks on the sole condition that they respect Kurds' identity and culture.

I have two children, a husband and many dear friends. I love life. But my passion for justice for my people, who are suffering for dig-

nity and freedom, is greater. What value is a life of slavery, humiliation and contempt for what you hold dearest — your identity? I will not kneel under to Turkey's inquisition.

Beyond my fate, I am concerned about the Kurdish and Turkish peoples. Turkey will not settle the problem of its 15 million Kurds by sending eight legislators to the gallows. Turkish extremism risks provoking a general catastrophe for both peoples and for the West, which counts on Turkey as a forward base in a strategically important region.

The West should realize that Turkey is not just a locale for military bases and electronic eavesdropping. It is a country of passions and conflicts, which can, as in the case of Iran, spill over into the irrational. If Turkey's warlords assassinate hopes for the peaceful solution that we legislators represent, the road is open for Kurds to switch massively to the camp of violence and Islamic fundamentalism. And if the Kurds, next door to Iran's Islamic revolutionaries, switch, then all Turkey will follow suit. And woe to us all.

The Washington Post

Listen: The Culture of Democracy and Human Rights Is Universal

By Aung San Suu Kyi

The author is the Burmese opposition leader and 1991 Nobel Peace Prize laureate who has been under house arrest in Rangoon since 1989.

well as social stability and national security that democratic reforms based on human rights are resisted by authoritarian governments. It is insinuated that some of the worst ills of Western society are the result of democracy, which is seen as the progenitor of unbridled freedom and selfish individualism.

It is claimed that democratic values and human rights run counter to the national culture. The people are said to be as yet unfit for democracy. So an indefinite length of time has to pass before democratic reforms can be instituted.

The first form of attack is often based on the premise, so universally accepted that it is seldom challenged, that the United States is the supreme example of democratic culture. What tends to be overlooked is that although the United States is certainly the most important representative of democratic culture, it also represents many other cultures, often intricately enmeshed.

Among these are the "want-it-all" consumer culture, super-power culture, frontier culture and immigrant culture. There is

also a strong media culture which constantly exposes the myriad problems of American society.

Many of the worst ills of American society are increasingly to be found in other developed countries. They can be traced not to the democratic legacy but to the demands of modern materialism.

Gross individualism and cut-throat morality arise when political and intellectual freedoms are curbed on the one hand while on the other fierce economic competitiveness is encouraged by making material success the measure of prestige and progress. The result is a society where cultural and human values are set aside and money values reign supreme.

No political or social system is perfect. But could such a powerful and diverse nation disintegrate if it had not been sustained by democratic institutions guaranteed by a constitution based on the assumption that man's capacity for reason and justice makes free government possible and that his capacity for passion and injustice makes it necessary?

It is precisely because of the cultural diversity of the world that it is necessary for different nations and peoples to agree on those basic human values which will act as a unifying factor.

When democracy and human rights are said to run counter to non-Western culture, such culture is usually defined narrowly and presented as monolithic. In fact, the values that democracy and human rights seek to promote can be found in many cultures. Human beings the world over need freedom and security to realize their full potential. The longing for a form of governance that provides security without destroying freedom goes back a long way.

Support for strong government and dictatorship can also be found in all cultures, both Eastern and Western. The desire to dominate and the tendency to adulterate the powerful are common human traits arising out of a desire for security.

A nation may choose a system that leaves the protection of the freedom and security of the many dependent on the inclinations of the empowered few; or it may choose institutions and practices that will sufficiently empower individuals and organizations to protect their own freedom and security. The choice will decide how far a nation will progress along the road to peace and human development.

Many of the countries of the Third World now striving for meaningful development are multiracial societies where there is one dominant racial group and a number — sometimes a large number — of smaller foreign, religious or ethnic minorities.

As with poverty, it is ultimately a question of empowerment. The provision of basic material needs is not sufficient to make minority groups and indigenous peoples feel that they are truly part of the greater national entity. For that they have to be confident that they, too, have an active role in shaping the destiny of the states that demand their allegiance.

Poverty degrades a whole society and threatens its stability, while ethnic conflict and minority discontent are two of the greatest threats to both internal and regional peace. And when the dispossessed "minority" is in fact an overwhelming majority, as happens in countries where power is concentrated in the hands of the few, the threat to peace and stability is ever present.

Democracy as a system which aims at empowering the people is essential if sustained human development is to be achieved.

No single type of Western democracy exists. Nor is democracy limited to a handful of forms, such as the American, British, French or Swiss. Each democratic country will have its own characteristics. With the spread of democracy to Eastern Europe, the variety in the democratic style of government will increase.

Similarly, there cannot be one form of Asian democracy. In each

country, the democratic system will develop a character that accords with its social, cultural and economic needs. But the basic requirement of a genuine democracy is that people should be sufficiently empowered to be able to participate significantly in the governance of their country.

The 30 articles of the Universal Declaration of Human Rights are aimed at such empowerment. Without these rights, democratic institutions will be empty shells, incapable of reflecting the aspirations of the people and unable to withstand the encroachment of authoritarianism.

The democratic process provides for political and social change without violence. The democratic tradition of free discussion and debate allows for the settlement of differences without resort to armed conflict.

The culture of democracy and human rights promotes diversity and dynamism without disintegration. It is indivisible from the culture of development and the culture of peace.

It is only by giving firm support to movements that seek to empower the people through democratic means that the United Nations and its agencies will truly be able to promote peace and development.

This comment was adapted by the International Herald Tribune from an address prepared by the writer for delivery at a recent Unesco conference in Manila. The address was presented, at the request of the author, by Corason Aquino, former president of the Philippines.

Carrot and Stick for Burma

By Clare Hollingworth

HONG KONG — The West is rightly angered by the continued house arrest of the Nobel Peace Prize laureate Aung San Suu Kyi by the Burmese junta.

But the rigid isolation imposed on Burma by General Ne Win has been slightly eased. Since the news was leaked that Ne Win, 83, had Parkinson's disease, the junta's better-educated second generation has gradually taken over most major state decisions. And General Khin Nyunt has lifted some restrictions on visits by tourists and foreign businessmen.

Meanwhile, Burmese relations with China have improved. Barter trade has opened up along the border. Chinese engineers have supervised the repair of two main roads from the border to the coastal town of Sittoung to Rangoon. By early 1993 the number of Chinese working in Burma had surpassed 3,000. Some have helped rebuild rail lines or modernize the telecommunications system; others have enlarged naval docks to handle warships. To India's chagrin, Beijing has promised Rangoon three naval assault vessels.

The Chinese say their main objective in helping Rangoon is to

facilitate exports through Burma to Bangladesh and the West. But China is known to have obtained the right to establish naval listening posts in the Bay of Bengal.

Closer ties to China have not been all for the good. State factories have had to reduce output, unable to compete with Chinese goods. This has led to joblessness and discontent in some towns.

Many foreign diplomats favor a hard line against the junta. They say its opening to the West reflects only an urgent need for foreign currency; they seek not just an embargo on high-tech equipment but further steps to discourage tourism and trade as well.

The junta, no doubt sending a message to its critics, has drafted a new constitution. It calls for a small civilian role in government.

In dealing with Burma, it seems clear that both carrot and stick are essential. Pressure to deprive the junta of military and high-tech equipment makes sense. But Western tourists and traders can only benefit Burma. Along with the samples of their goods, Western traders often carry thoughts on political and democratic issues — a lesson China has learned.

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OPINION

After the Mushroom Cloud, What Tastelessness Next?

By Edwin M. Yoder Jr.

WASHINGTON — Americans should forget their irritation over the flood of junk mail and "first class" mail that is delivered in a slow trickle, even at 29 (soon to be 32) cents. The U.S. Postal Service has surpassed itself.

It has announced plans to issue a commemorative stamp next August marking the 50th anniversary of the dropping of the first atomic bomb, at Hiroshima. Barring an outbreak of good taste, the stamp will picture, in color, the mushroom cloud that for half a century has symbolized the menace of atomic weaponry.

A caption says: "Atomic bombs hasten war's end, August 1945." The stamp is described as one of a series marking the events of World War II.

What next from the Postal Service? A stamp commemorating the firebombing of Dresden or Tokyo? Or starvation during the 900-day siege of Leningrad? The discovery of Auschwitz and other Nazi death camps, perhaps with skeletal inmates in striped uniforms?

Hiroshima's incineration produced the familiar photograph that the stamp reproduces. The city's mayor has commented, "It is terrible that they could be so heartless." But is the issue heartlessness or tastelessness?

Try to imagine the reaction in America if the Japanese postal service had marked the 1991 anniversary of Pearl Harbor with a stamp picturing the Arizona sinking on battleship row, with a caption reading, let's say: "Japanese aviators achieve surprise at Pearl Harbor, December 1941."

You will say, of course, that Pearl Harbor and Hiroshima alike are great historical facts; and you will be right. No one argues that the memory of either should be suppressed. But there are right ways and wrong ways to commemorate the great tragedies and misfortunes of war. And it is beginning to seem that no agency under Uncle Sam's great umbrella can get this anniversary right.

At the Air and Space Museum in Washington, curators proposed an exhibit built around the Enola Gay, the B-29 that delivered the Hiroshima bomb. In the preliminary planning, however, the exhibit was to be dominated by revisionist afterthoughts. It was to be a bath of American guilt.

Nothing in the study of history is cheaper than the exercise of unearned self-righteousness that de-

rives from nothing more virtuous than ordinary hindsight.

You would have to be pretty dull now not to see that Hiroshima was a questionable turn in mankind's long road. But that says nothing of the good faith of those who decided to use the bomb to end the war in 1945.

It was not until The New Yorker sent John Hersey to report on Hiroshima, a few months after the end of the Pacific war, and devoted an entire issue to his account of the bomb's effects, that the historic significance began to be universally grasped. Only then did Hiroshima begin to be seen as the threshold of a new era, in which mankind's "naughty toys" (as Churchill once called atomic weapons) threatened the world's extinction.

The U.S. Postal Service, apparently, has heard of none of this, or has learned nothing from it — as if hindsight shed no useful light on atomic weapons.

If the Air and Space exhibit was enthralled by foolish revisionism, the Postal Service's imagination is still frozen in 1945, when even sentient statesmen could view Hiroshima as just another turn of the screw in a war that had long since exceeded the limits solemnly affirmed at its outset.

When the war began in 1939, deliberate bombing of civilian populations — whether the weapons were conventional high explosives, incendiary devices or something else — was repellent to civilized opinion, almost as much so as the use of poison gas.

The German bombing of the Basque town of Guernica, during the Spanish Civil War, had outraged the world and marked the outer limit, as of April 1937. Even Hitler was reluctant to be seen as a man who deliberately attacked cities and civilian populations.

In no time at all, these frail restraints had collapsed. Old distinctions between combatants and non-combatants were no longer honored. In that setting, Hiroshima might have seemed another in a grim list of cities devastated in the new "strategic" warfare, and not more wantonly than some others. It cannot be seen in that light today.

The Hiroshima stamp should be canceled before it becomes a symbol for the world of American insensitivity and tastelessness. There are better ways to remember the end of the war.

Washington Post Writers Group.



LETTERS TO THE EDITOR

Remembering the Bomb

Regarding the report "U.S. Stamp Depicting Atomic Bombings Sets Off Outcry in Japan" (Dec. 3):

As an Asian-American, I find the displeasure expressed by the Japanese government over the new U.S. stamp, which will picture an atomic mushroom cloud, understandable but hypocritical. A total of 210,000 residents of Hiroshima and Nagasaki were killed by the atomic blasts. The Japanese Army killed far more innocent civilians during the Rape of Nanking in China and in its occupation of other parts of East Asia during the war. The Japanese government has made little effort to reveal the facts to its people: that Japan was the aggressor, that it pushed the United States into the war, and that the atomic bomb was a means to hasten the end of the war.

As Japanese manufacturing sectors are increasingly shifting offshore, it is critically important that Japan set the war record straight.

P. L. LEE
Hong Kong.

A Hiroshima commemorative stamp would play nicely into the hands of fringe elements in Japan, left and right. Aren't there enough anti-American demonstrators outside the U.S. Embassy in Tokyo?

ARTHUR BORGES
Paris.

Thank you for publishing "Then Here Were the Kamikazes"

(Opinion, Oct. 21) and "Over Tokyo the Tail Gun Fell Silent" (Opinion, Dec. 2) by Denis Warner.

My response to Japanese protests (and American revisionists) about the image of an atomic bomb on U.S. postage stamps: I was on the West Coast shipping out green conscripts to the Japanese meat grinders in the Pacific. I feel no sympathy for Japan and only regret for the young American lives that were snuffed out in 1944 and 1945.

HERBERT MAZA
Aix-en-Provence, France.

So Denis Warner thinks it right that hundreds of thousands of Japanese civilians should have been slaughtered to protect U.S. soldiers. Funny, I always thought soldiers were supposed to kill other soldiers.

LESLIE SCHENK
Chevilly-Larue, France.

The atomic bombs dropped over Nagasaki and Hiroshima were atrocities of unacceptable proportions, totally illegal by the standards laid down by the Geneva Conventions. As an Australian I'm ashamed we were allied to those who perpetrated this crime against humanity. The use of atomic bombs anywhere and at any time can never be justified.

CARL-JAMES ASIMUS
Weissenstadt, Germany.

Ignoring the Cause

Regarding the report "Filipinos Recall Atrocities" (Oct. 28):

Unfortunately, the Japanese government censors all textbooks used in school. It has the right to force their authors to rewrite some parts. We Japanese students haven't learned about "the Rape of Nanking" and so-called "comfort women."

In Japanese schools, students and teachers focus on cramming for the infamous college entrance examination, and don't care about the background or cause of events. Japanese students have few chances to learn about the war. We learn history from such an early era that we couldn't possibly cover all ages.

I am convinced that we should study the war first. If not, our train might derail again.

TAKASHI OGAWARA
Tokyo.

A Stern Admonition

I would hope that the U.S. Navy's face is as red as the Achilles Lauro's glowing hull was ("Achilles Lauro Drifts in Flames," Dec. 1). Even the article's writer knows that the proper word is "stern," not as Commander T. McCready, U.S. Navy spokesman, would have it, the "back of the ship."

R. SHOTTON
Rome.

Get This Look-at-Me Culture Out of Our Faces — Now!

By Donna Britt

WASHINGTON — Look at me. Pay attention to me. Be fascinated by me. Love me. If you can't love me, then go ahead, hate me — at least you're paying attention. Be repulsed, shocked or outraged by me. But look at me.

Welcome to America, where if you could translate many people's most primal scream into words, it would be "Look at me!"

It is a well-known better thing, even for 10-year-olds like Felix Ruiz, of Silver Spring, Maryland. Felix thinks it's funny when pro players "showboat." But as a talented player on a local team, Felix has never showed off, because "it's unsportsmanlike." If you're not a good sport, people get mad at you, then you get in a fight.

Exactly. Which is why "look at me" has become an "Enough, already!" thing.

Inevitably, "look at me" gives no thought to anybody but you. Sports inevitably results in victor and vanquished. Any child knows losing is tough enough without some jerk rubbing your face in it.

Life is tough too. And it is stupid and hypocritical to accept, even to laud, blatant look-at-me-ism when it titillates or amuses — as in Sharon Stone's flashing in "Basic Instinct," and certain comers' tasteless sticks — and at other times deplore it.

Where "look at me" is primarily, and tragically, a black thing is on city streets; there, in-your-face too often results in in-your-grave. Every black adult in America needs to be pulling some kid's coat, screaming that life, not some bombarded notion of manhood, is worth fighting for. When your only power is derived from exulting over others' failure, you are pitiful indeed. It takes 20 times the guts and class — remember that word? — to restrain "natural" impulses than to cave in to them. To think of someone else.

Does Bill Jones care what effect his "artistic" display had on those children? "An artist doesn't have to do anything," Mr. Jones said later. "I know that's an invitation to irresponsibility, but... artists should be the freest people in society."

Well, everyone is an artist, or thinks he or she is. But unless all of America rediscovers restraint as an art form, millions more will discover what too many hard young brothers find after their refusal to be "dissed" — disrespected — lands them in the cemetery: Some grass, some flowers, a lot of respectful silence.

And nobody to look at you.

Washington Post Writers Group.

THE AMERICAN EXPRESS

"I've just spent 10 nights in the wilderness and I don't have my card with me, can you help me get a shower and a real bed?"

SERVICE.

THERE IS ONLY ONE AMERICAN EXPRESS.

Serbs Break Word, Seizing 2 UN Troops

New York Times Service
ZAGREB, Croatia — The Bosnian Serbs stepped up their humiliation of United Nations personnel Tuesday, promising to release an officer suffering from a serious heart ailment only to renege on the commitment and take two more peacekeepers captive.

War as waged by the Bosnian Serbs has always involved the humiliation of victims. In general they have been Muslim civilians, including women and children. But over the last three weeks, the Serbs have brought similar methods to bear on UN soldiers in Bosnia and have met no armed response.

On Friday, the leader of the Bosnian Serbs, Radovan Karadzic, promised to release all UN personnel, 349 of whom are being held. That number does not include the Bangladeshi battalion trapped inside the northwestern "Bihac pocket,"

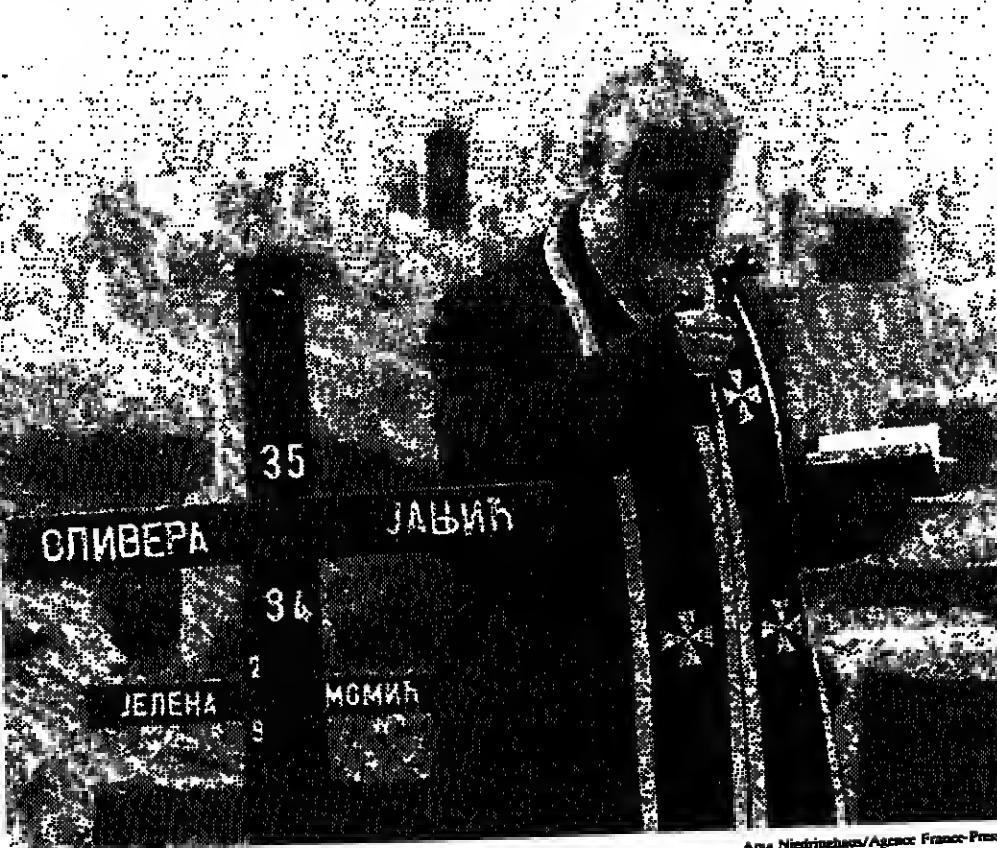
whose plight is increasingly desperate.

The incident Tuesday occurred at Banja Luka, the largest town in Serbian-held Bosnia. Three UN officers — a Jordanian, a Bangladeshi and a Czech — have been held by the Serbs for more than two weeks and were forced on one occasion to park their vehicles for eight hours on the runways of two airfields as "human shields" against any NATO air strike.

The Jordanian, a 39-year-old officer whose name was not divulged by the UN, suffers from a serious heart condition. Under an agreement reached with the Serbs, a UN officer from Spain was to take his place as a replacement hostage.

But when the Spaniard and a Czech officer arrived at Banja Luka, they, too, were detained by the Serbs, bringing the number of captives to five.

— ROGER COHEN



Sarajevo's sole Orthodox priest, Avakum Rosic, holding a funeral in a cemetery Tuesday.

SERBS: U.S. Acceding to Some of Their Demands, but the Reversal Is Unlikely to Be Enough

Continued from Page 1
 al mediators were prepared to help Serbs and Muslims agree on changing the map, provided that the 51-to-49 division was maintained.

Considering that the Serbs were supposed to be punished for rejecting the peace plan in July, this amounted to a generous package.

The last point — possible changes to the map — is the most important to the Bosnian Serbs. They dismissed the map proposed in July as leaving them with territory that was too fragmented and too poor in natural resources, and lacking industry and access to the sea. If

they were to give up a third of the territory they held, as the peace plan required, they wanted richer, more defensible area.

One Western official said the "contact group" — the United States, Britain, France, Russia, and Germany — now had a specific exchange of territory in mind. This would involve the Bosnian government's surrender of the acutely vulnerable Muslim enclaves in the east — Gorazde, Zepa, and Srebrenica — in exchange for Serbian-held land in and around Sarajevo.

"The general feeling is that the eastern enclaves are probably indefensible in the long run

for the Bosnian government, and that an exchange strengthening their hold on Sarajevo and its surroundings makes sense," the official said.

On purely strategic grounds, this is true. But Gorazde, Zepa and Srebrenica have deep moral resonance for the Bosnian government. Their fall would consummate the Serbs' destruction of the Muslim community in eastern Bosnia, with several hundred thousand civilians driven at gunpoint from their homes.

Thus the government seems certain to reject such an exchange. Indeed, it has repeatedly said it will not accept any

changes to the map, which it accepted in July. And the Serbs, who have seen all credible threats of NATO force evaporate as they have pursued their counterattack on Bihac, in the northwest, now want more than the eastern enclaves.

Mr. Karadzic wants part of Sarajevo, which he sees as the future capital of a Serbian state. He wants a wider corridor connecting Serb-held land in eastern and western Bosnia. And he wants more of Bosnia's towns and less of its empty mountainous regions.

Certainly any compromise has become more difficult. The bitter conflict between Mr.

Karadzic and the president of Serbia, Slobodan Milosevic, that flared over the peace plan, which Mr. Milosevic deems reasonable, has made a Serbian federation less attractive to both men. Mr. Karadzic now wants nothing less than his own state.

But even a Serbian federation is unacceptable to the Bosnian government, which sees in it the seed of Bosnia's final demise. And President Alija Izetbegovic's disgust over the West's abandonment of Bihac, which the United Nations had said it would protect, has put him in an unyielding mood.

Split in Republican Ranks on Bosnia

Washington Post Service
WASHINGTON — Two leading Senate Republican experts on military matters have underscored their disagreement with the incoming Republican leadership's recent call for a more aggressive military stance against Serbian forces in the Bosnian war.

In a preview of a probable battle among Republicans over foreign policy, Senators John S. McCain 3d of Arizona and John W. Warner of Virginia have warned against the kind of air strikes advocated recently by the incoming House speaker, Newt Gingrich of Georgia, and the incoming Senate majority leader, Bob Dole of Kansas.

"I don't believe in the efficacy of air strikes unless you are willing to bomb in such a massive fashion that would incur significant civilian casualties," said Mr. McCain, a former decorated navy pilot.

Calling air strikes "the most antiseptic answer," Mr. McCain — expressing a view shared by Mr. Warner — said strikes alone would do nothing.

Massive numbers of ground troops would be necessary to be effective, Mr. McCain said, adding, "The American people aren't willing to do that."

Mr. Dole said Sunday that the United States ought to arm Bosnia's Muslim-led government and bomb the Serbian insurgents "robustly," a position at odds with that of the Clinton administration, which last week went along with its NATO allies by abandoning military pressure in favor of diplomacy to push the Serbs toward negotiations.

Mr. Gingrich called for withdrawing UN peacekeepers, arming the Muslims and bombing the Serbs.

ALLIES: Fresh Indications of Instability in Europe

Continued from Page 1
 concern about Europe's future reflects a growing mood among European, ex-Yugoslav and Russian leaders that U.S. involvement in Europe has started seriously eroding, according to American and European officials.

These concerns have sharpened because of apprehensions that the new Republican-controlled Congress in the United States may be more unilateralist in security affairs, perhaps even isolationist.

While rejecting suggestions of a vacuum of American power, a U.S. policymaker conceded this week that the perception of a U.S. retreat has, momentarily at least, worsened the outlook in Bosnia, stiffened resistance to changing NATO and highlighted mistrust among Western leaders.

In Bosnia, Western hopes hinge largely on the president of Serbia, Slobodan Milosevic, U.S. and European officials say.

Even Germany, once the strongest U.S. ally on this issue, has tilted toward caution, apparently because of doubts about the Clinton administration's staying power.

France, where diplomatic initiative is paralyzed by a presidential election campaign, is split between the anti-American tone of President Francois Mitterrand and younger politicians who would like to work more closely with Washington.

President Bill Clinton's sudden loss of credibility was evident this week when he made only a token appearance at the Budapest summit meeting and Europeans did not bother to feel snubbed.

Now, the Europeans see the specter of Russian assertiveness in Bosnia with Moscow's first Security Council veto on the issue, a vote that suggests the approaching end of U.S. ability to extract whatever it needs from President Boris N. Yeltsin.

That option, spelled out by the British foreign secretary, Douglas Hurd, in Belgrade, fits with a statement by Foreign Minister Alain Juppe of France at the Bucharest meeting on Tuesday. Mr. Juppe said that UN forces should leave Bosnia "in the next few weeks" unless peace can be reached. The French Navy has ordered an aircraft carrier to proceed to the Adriatic to help in a withdrawal.

On changing NATO, the spillover of the Bosnian conflict heightened Europe's reluctance to follow Washington's urging on extending the alliance to include Poland, Hungary, the Czech Republic and other East European democracies.

"The question is whether tougher noises from Russia will scare the allies into closing ranks or whether we will stumble into something worse, in Moscow and in our own countries," a European official at NATO said.

SUMMIT: Moscow Blocks All References to Bosnia

Continued from Page 1
 the meeting from calling officially on Bosnian Serbs to end fighting around Bihac and elsewhere in Bosnia.

The action enraged the Muslim-led Bosnian government. For the second time in two days delegates sat in embarrassed silence as their countries were berated for their behavior toward the Bosnian people.

"The people of Bosnia-Herzegovina have been betrayed," Mr. Hadziahmetovic said. "You owe us protection."

The host country, Hungary, issued a bland statement repeating previous calls for a general cease-fire and access for

humanitarian aid. Even that was not made an official conference document, because of Bosnian objections.

Moscow's fears of losing influence in a changing Europe led Boris N. Yeltsin in a speech on Monday to accuse the United States and NATO of trying to exclude and isolate his country.

"Why sow the seeds of mistrust? After all, we are all partners now," the Russian president said at Monday's opening session, where he attacked NATO's plans to admit other former Warsaw Pact nations.

A senior U.S. official insisted

it was business as usual with Mr. Yeltsin on most issues but acknowledged some tensions with Moscow as it stands excluded from NATO and the European Union.

On the plus side of the ledger was agreement to create the organization's first peacekeeping force to police an uneasy cease-fire in Nagorno-Karabakh, an ethnic Armenian enclave in former Soviet Azerbaijan.

Diplomats said no peacekeepers would be sent, however, until a formal truce was declared and the warring sides began negotiations.

(Reuters, AP, AFP)

ITALY: Crusading Magistrate Quits, Stunning Nation

Continued from Page 1
 lost one of the stars of the "Italian Revolution," said Carlo De Benedetti, the Olivetti computer magnate who was interviewed by Mr. Di Pietro in May 1993 and acknowledged that his company had paid bribes.

Mr. Berlusconi said the magistrate's departure "leaves a bitter taste even in the mouths of those who have considered parts of his inquiries questionable."

But Mr. Berlusconi made it clear that he saw the move as a boost for his campaign to restore what he called Tuesday "normality and balance in the administration of justice" after the frenetic, headline-grabbing years of the "Mani Pulite" — "clean hands" — inquiries that decapitated Italy's onetime business and political elite.

The development was the latest in a mounting confrontation between Mr. Berlusconi and the Milan graft investigators, a confrontation whose outcome has

been regarded as crucial in determining whether Italy's much-vaunted "Second Republic" draws a line beneath the corruption inquiries or pursues them to the end.

And it left many Italians wondering whether the drive for renewal had reached a watershed.

While Mr. Di Pietro's resignation does not formally mean that corruption inquiries will come to a halt, it could well mean that the inquiries will proceed with far less momentum and sense of a righteous crusade.

And, among some Italians, it is bound to be taken as a victory for Mr. Berlusconi, signaling the beginning of the end for the Mani Pulite inquiries, which started in February 1992.

The chief Milan prosecutor, Francesco Saverio Borrelli, Mr. Di Pietro's superior and head of the city's graft investigators, said at a news conference after accepting the resignation: "Our

work will go ahead regardless, without pause, without fear and without weakness."

"I can add that neither I nor any of my colleagues intend to leave our posts," he declared.

In what seemed a parting shot in court Tuesday, Mr. Di Pietro asked for a 10-month jail term for Umberto Bossi, Mr. Berlusconi's rambunctious coalition partner and head of the federalist Northern League, which rose to prominence tilting against the corruption of Italy's old guard.

Mr. Bossi was one of 24 defendants, including former Prime Minister Bettino Craxi, in what magistrates have called "the mother of all trials," which involved huge payments made by the Ferruzzi company to political parties. Mr. Bossi was accused of accepting an undeclared campaign contribution of \$125,000. The sentence still has to be confirmed. Mr. Bossi denies knowledge of the payment.

STAR WARS: The Death Ray That Refused to Die

Continued from Page 1
 completely. "It's either too much or not enough," said John E. Pike, who is in charge of space policy for the Federation of American Scientists, a private group based in Washington.

"Imperfect defenses are worthless," Mr. Pike added, because the destructiveness of a single nuclear blast is so great.

In 1993, the Clinton administration declared space-based defenses dead, in a move that was largely symbolic. Some programs were cut back, but the anti-missile research is still being funded at about \$3 billion a year, bringing its total cost for the decade to about \$35 billion.

Alpha and allied programs, their budgets now tight, got enough money to keep evolving and growing through the rise and fall of a host of futuristic alternatives for space armaments like X-ray lasers, neutral particle beams and space-based kinetic kill vehicles. In short, Alpha is the death ray that refused to die.

"This program has survived lots and lots of turmoil because it has a very high potential payoff," said Daniel R. Wildt, an advanced systems manager at TRW Inc., Alpha's main contractor.

The principal allure of chemical lasers is that they require no electricity, drawing their power instead from simple chemical reactions. Alpha's lasing action is produced by the combustion of hydrogen and fluorine, a toxic, corrosive, yellowish gas that is the most reactive of the elements.

The laser's beam of concentrated light is designed to produce 2.2 million watts of energy, making it the nation's most powerful military laser, experts outside the government say. Officially, the power of the beam is secret, with contractors saying only that it is hot enough to melt metal and that the energy intensity at the core of the laser is several times that of the surface of the sun.

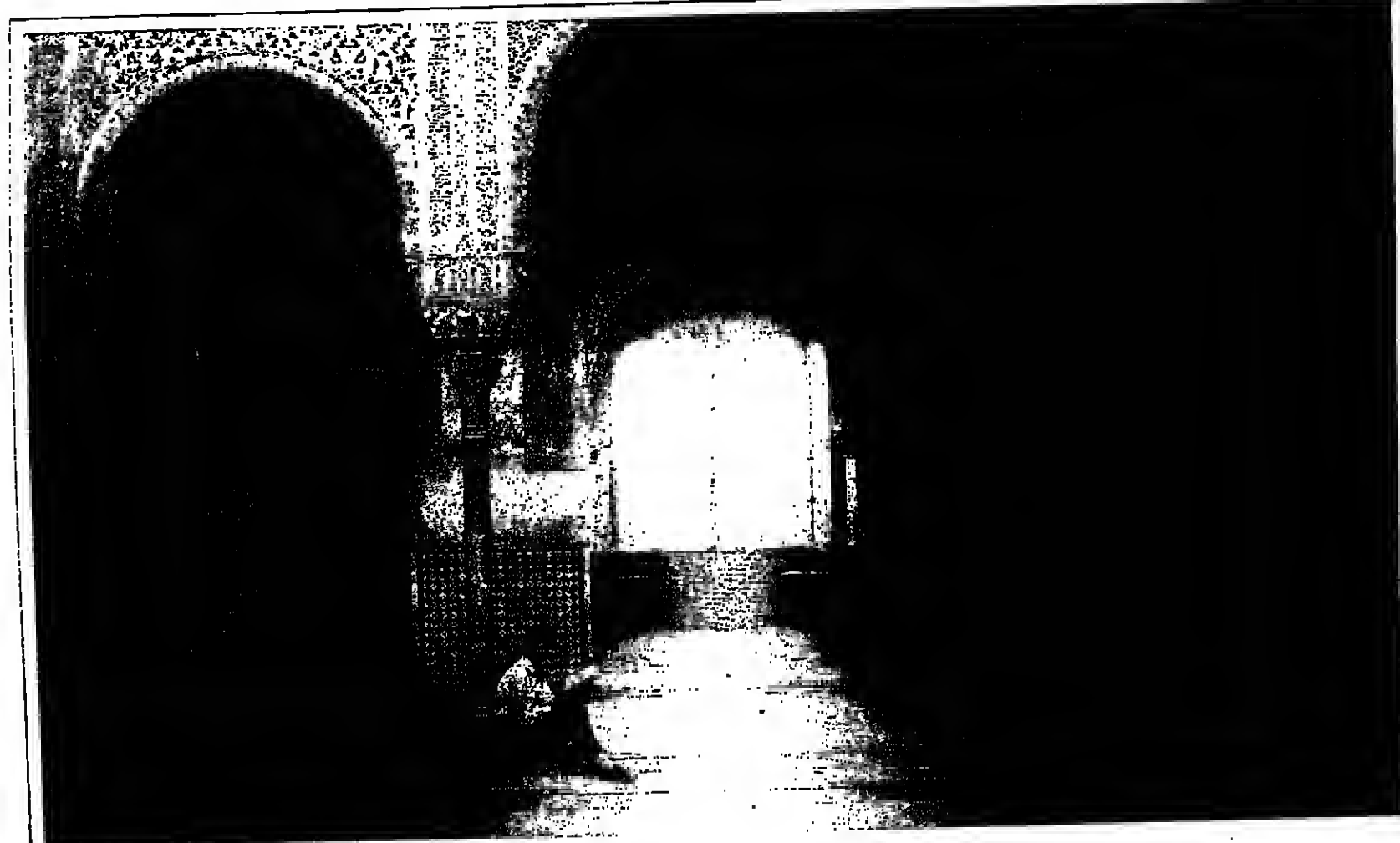
To date, Alpha has been fired 11 times, most recently in August.

Among the laser's heavier components were its mirrors, which had ponderous water-cooling systems to prevent extreme heat from shattering them. One recent development, tested during the August firing, were coatings that make mirrors so reflective that they need no cooling.

Eritrea Breaks Ties With Sudan

Agence France-Presse
NAIROBI — Eritrea broke off diplomatic relations with Sudan on Tuesday, accusing the Muslim fundamentalist military junta in Khartoum of seeking to destabilize the government in Asmara, Eritrean Radio reported.

The government in the Horn of Africa nation has accused Sudan several times of training terrorists to destabilize it, a claim strongly denied by the regime in Khartoum.



The Moors didn't cross the Sierra Nevada on skis. But don't let that stop you.

They were busy creating countless courtyards and squares throughout the cities of Andalusia. Masterpieces of cultural fusion like the incomparable Alhambra in Granada. Set against the startling backdrop of the Sierra Nevada mountains where the snow lingers deep and long from November until late May on the ski slopes of Sol y Nieve, the resort chosen to host the '95 World Ski Cup. This southernmost ski paradise in Europe has the facilities to attract the best in the world and the sunny climate, as its name suggests, to appeal to those more normally prone to water skiing. And a mere 28 kilometres and forty minutes down the road, in the timeless tranquillity of Moorish Spain, you can look back on the snowy triumphs of a morning on the piste.



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Japanese Bar Direct War Fund

'Comfort Women' Are Rebuffed

TOKYO — Japan decided Tuesday to make no direct government payments to compensate women who had been forced into providing sex for Japanese soldiers during World War II.

The chief cabinet secretary, Kozo Igarashi, said Japan would only finance a previously announced \$1 billion program to atone for Japan's wartime atrocities.

The fund would be used over the next 10 years for exchange programs and to build vocational training centers for women in countries that suffered atrocities.

A panel of Prime Minister Tomichi Murayama's governing coalition parties, formed to study the "comfort women" issue, urged the government last week to help establish a private fund to pay direct compensation to women forced into sexual slavery.

Mr. Igarashi said the government might help pay for "operational and preparation" costs if a private fund was established.

The private fund would be made up of voluntary contributions from the Japanese public.

In recent weeks, Japan has come under pressure from former comfort women who demonstrated for reparations and from a report by the International Commission of Jurists that said Tokyo had a moral and legal duty to make financial restitution.

The commission report detailed how the Japanese Army set up a system to force an estimated 100,000 to 200,000 women into forced sex.

Chinese, Dutch, Filipinos, Indonesians, Koreans, Malaysians and Taiwanese, some just 13 years old, were used in brothels and went through "unimaginable violence and cruelty," the report said.

Japan insists that the question of war reparations, either to nations or to individuals, was settled under the 1952 San Francisco Peace Treaty.



NAMIBIA PREPARES FOR ELECTIONS — A policeman with ballot boxes en route to polling places Tuesday in Windhoek, Namibia. General elections on Thursday and Friday will be the first since independence in 1990.

Ronald Edwards, U.K. Train Robber, Dies

New York Times Service

Ronald Edwards, a flower seller who had served a jail term for his part in the \$7 million Great Train Robbery in Britain in 1963, has been found dead in London. He was in his early 60s and lived in London.

He was found hanging by his neck in a garage, the British newspaper The Independent reported. An inquest was opened on Thursday and adjourned until Feb. 7.

Mr. Edwards, known as Buster, was one of more than a dozen accomplices involved in the robbery. His life became the subject of a 1988 movie, "Buster."

He told an interviewer once that selling flowers in his later years was "so boring" compared with the life he had been leading.

By tampering with signal lights, the robbers halted a night mail train at an isolated spot in southern England. They clubbed the engineer and made off with bags containing £2.6 million in used British banknotes, the equivalent of \$7 million in those days.

Most of the robbers were

captured, but only one-fourth of the money was recovered.

Afterward, Mr. Edwards took his share of the money and made his way, with his family, to Mexico. But the money dwindled, and in 1966, Mr. Edwards returned to London, surrendered and was charged at Aylesbury in Buckinghamshire with participation in the robbery. Later that year he was convicted and sentenced to 15 years in prison.

Mr. Edwards was released from jail early, in 1975, and had a flower stall at Waterloo Station until his death.

Gian Maria Volonte, 61, Italian Film Actor

ATHENS (AP) — Gian Maria Volonte, 61, one of Italy's most famous actors, was found dead Tuesday in his hotel room in the northern Greek town of Florina.

A Florina police official said there appeared to be no suspicious circumstances in the death.

Mr. Volonte was filming of "The Gaze of Odysseus," which is being directed by Theodoros Angelopoulos.

Mr. Volonte began his film

career in 1960 and made his mark playing famous characters, real or fictional, such as Aldo Moro in "The Moro Affair" in 1986 and Enrico Mattei, the former head of the Italian oil company who died in a mysterious plane crash, in "The Mattei Affair" in 1972.

Virgilio Martinho, 65, the Portuguese author and playwright, died Sunday after a long illness, in Lisbon.

Jacob Kaplan, 99, a former chief rabbi of France, died Monday from a lung ailment, in Paris.

Professor Arthur Frank Shore, 70, a British Egyptologist

who was an expert on Egypt in Late Antiquity and who taught at Liverpool University from 1974-1991, died on Nov. 27 at Southport, England. No cause of death was given.

Clement Biddle Wood Jr., 69, a novelist who for many years was an editor of The Paris Review, died Sunday of complications from colon cancer at Southampton Hospital on Long Island, New York.

Julio Ramon Ribeyro, 65, the Peruvian writer who earlier this year won Latin America's Juan Rulfo Award for literature, died Sunday of complications from cancer.

Sudan's Soft-Spoken Master

Islamic Leader Defies Revolutionary Stereotype

By Chris Hedges
New York Times Service

KHARTOUM, Sudan — This country is bankrupt and locked in a vicious civil war. It has become an international pariah over what Western diplomats describe as its active support for armed militant movements seeking to topple governments in Egypt, Algeria, Tunisia and Saudi Arabia, and for egregious human rights abuses.

Yet Hassan Turabi, by all accounts the mastermind of the Sudanese government, defies the stereotype of the Islamic revolutionary.

He has studied law in Paris and London, and he says he respects Western culture, along with the Christian and Jewish faiths. He says he wants Islamic militant movements to have a harmonious relationship with the West. He denounces sectarianism, criticizing Shiite movements that exclude other sects, and calls on Muslims to "move forward to a new form of Islam" that is more inclusive.

"The Muslims are not allowed to wage war, only resistance," he said in an interview, which was conducted in English. "Jihad means resistance in Arabic. Struggle, not war. It is wrong to translate this as 'holy war.' The Muslim has to relate to people peacefully."

"I know most of the leadership of the Islamic movement in the Muslim world and they are not against the West. They just want to defend their identity and experience, although the West is vulnerable to Islam because very little Christianity is left there."

Mr. Turabi's conciliatory tone has come to epitomize the new and more flexible leadership in the region's Islamic movement, and is being adopted by other militant leaders.

Many argue that the Sudanese leader has become adept at telling Western audiences what they want to hear, rather than what he actually believes.

"Turabi is political to the core," said a Western ambassador. "He has political ambitions and political instincts. He has strong opinions, some of which, unfortunately, are based on very inaccurate information bordering on the bizarre. He is arrogant, contemptuous of most people he meets and has an agenda that clearly transcends Sudan."

But the 62-year-old Mr. Turabi dismisses his critics. "They think that I am behind all Islamic movements in the world," he said, "and in a simple way they think that after the fall of communism, Islam should be the next target."

Despite his tone, he defends attacks by the Palestinian militant Islamic group Hamas against Israeli civilians, including the deadly bombing of a commuter bus in Tel Aviv.

"Hamas is concerned about the collapse of official Arab opinion with the Palestinian issue," he said. "Unless they do something dramatic, no one will be reminded that the Palestinian issue is alive. Also, no one says anything about how many Palestinians the Israelis are detaining. They feel they have to counter the Israelis and excite Arab opinion. I understand this."

Although Mr. Turabi has no official government position, he exercises great influence through the political party he heads, the National Islamic Front. His associates control many key positions in government, including the intelligence services.

He frequently mentions his familiarity with Western culture, political life, religion and jurisprudence. He said he had read 100 books on Christianity, although he had trouble naming any theologians other than the Catholic Hans Kung, whom he once met.

Mr. Turabi also says that the CIA, along with the Egyptian intelligence service, is plotting to assassinate him. And he blames the CIA for an attack on him in May 1992 at the Ottawa airport by a Sudanese karate champion.

The Israelis, he says, manipulate numerous American institutions, including "almost every American newspaper, the National Security Council and the Congress."

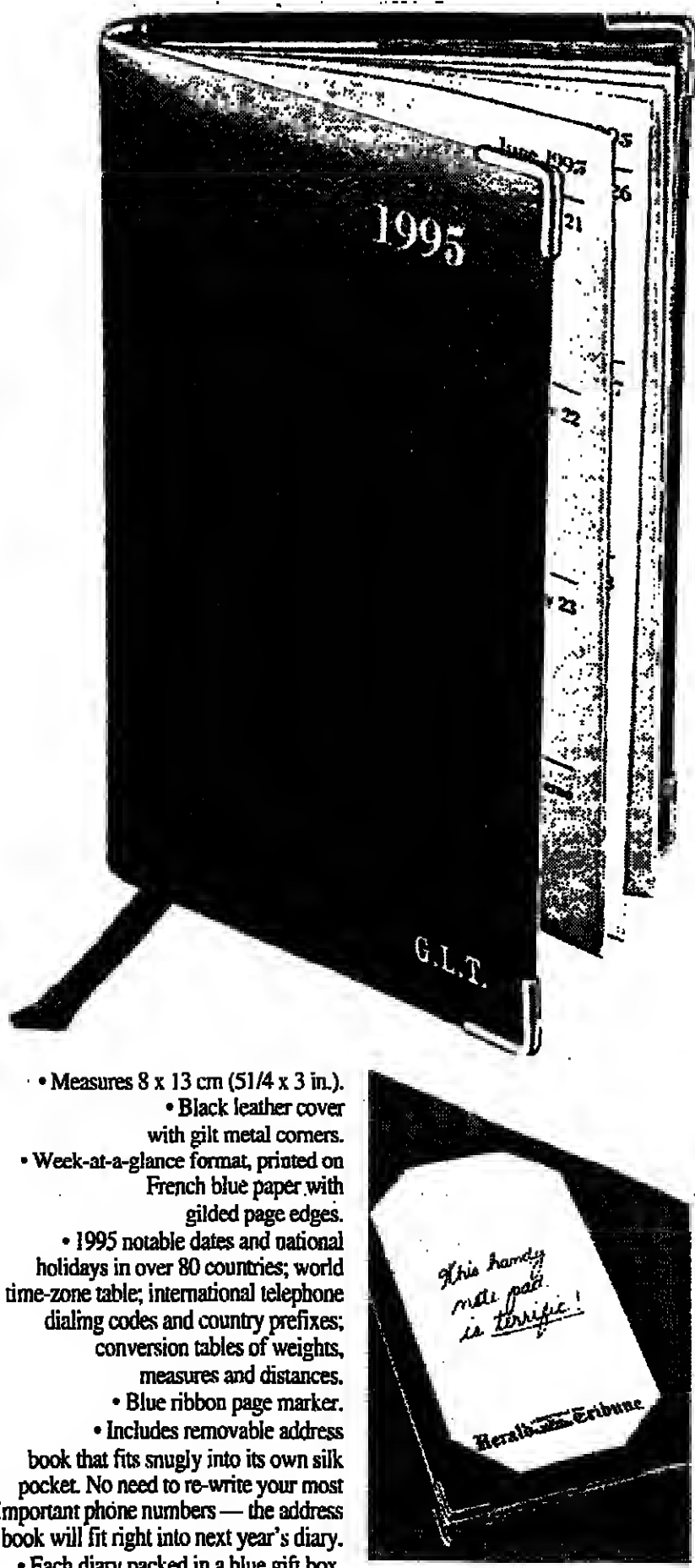
"This is not the fault of the American people," he said. "They are not against Islam. They know very little about Islam."

He describes his hudding relationship with the Iraqi president, Saddam Hussein, as "very close," while excoriating President Hosni Mubarak of Egypt.

"Saddam is gradually reintroducing Islam," he said. "He has restricted liquor. Koranic studies are mandatory for all students, all teachers and all Ba'athist Party members. He knows the society is returning to Islam. The only one who is doing everything against Islam is Hosni Mubarak. Even King Hussein speaks to the Islamic groups."

"Arab governments are collapsing," he said. "They know it. Even Arafat knows that this latest peace deal is only an act of necessity. The Arabs are changing from below. Arab nationalism is finished and the Islamic spirit is rising in places like Saudi Arabia. This is one of the consequences of the Gulf War."

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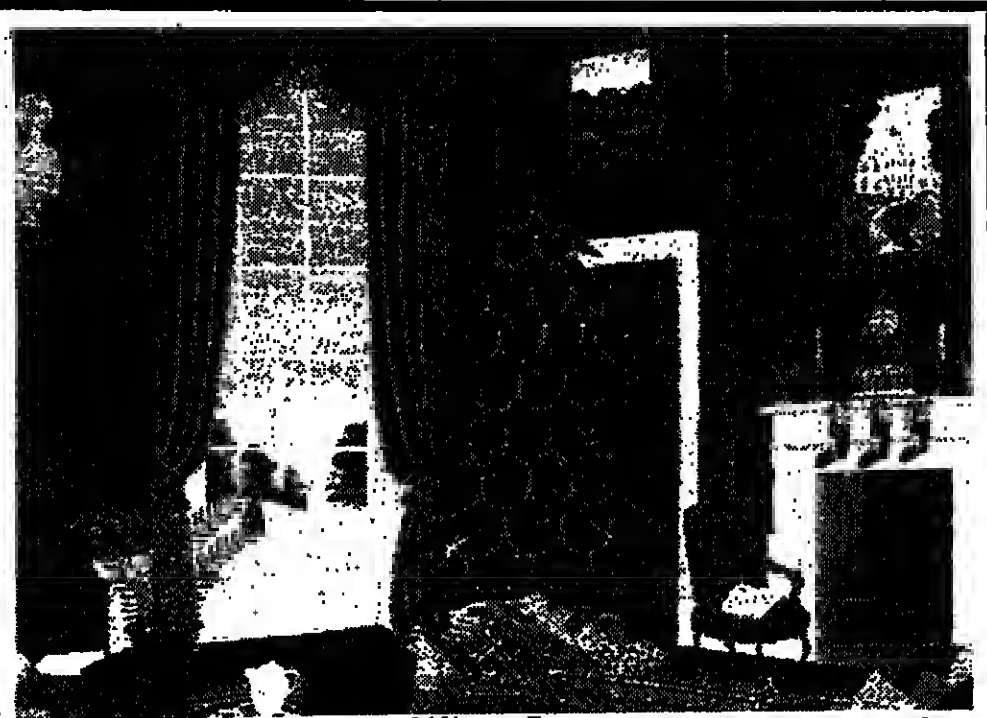
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AND WHERE'S SOCKS'S STOCKING? — The front of the White House card being sent out for the holidays, featuring a rendering of the mansion's Red Room.

AMERICAN TOPICS

Ex-Surgeon General Lays Into Fat

More health advice from C. Everett Koop, who crusaded against smoking and for frank AIDS education when he was surgeon general in Ronald Reagan's administration.

"Eat sensibly. Exercise regularly. Drop a few pounds. Shape up."

Those are the watchwords of the crusade against obesity that the 78-year-old pediatric surgeon launched this week with his nonprofit health foundation.

With endorsements from a phalanx of medical groups and financial backing from major corporations, Dr. Koop's "Shape up America!" campaign aims to promote the benefits of even modest weight losses.

One in three U.S. adults — 32 million women and 26 million men — are obese or overweight, and one in five teenagers is significantly overweight.

After smoking, Dr. Koop said, "obesity-related conditions are the second-leading cause of death in the U.S., resulting in about 300,000 lives lost each year."

Short Takes

A man got the maximum sentence of life in prison for inundating 14,000 acres (5,600 hectares) of farmland by removing five sand-

bags from a Mississippi River levee near Kirksville, Missouri, during the height of the summer 1993 floods.

James R. Scott, 24, had told friends that he wanted to break the levee to strand his estranged wife at her job across the river. Circuit Judge Bruce Normile said a life sentence was warranted by the defendant's record as a convicted arsonist and burglar and the extent of the damage he caused. The water ripped through a mile-long business strip, destroyed buildings and closed the only bridge within 200 miles for 71 days.

Worshippers at the Shrine of the Holy Redeemer, a Roman Catholic church only a block from four of the biggest casinos in Las Vegas, are invited to drop gambling chips in the collection plate. Now and then a \$500 chip turns up.

Sometimes visitors ask the priest, "Father, will you pray for me to win?" Father Patrick Leary said, "I tell them if it was that easy, do they think we'd still have a debt on this place?"

Joe Carlisle called police after he heard gunshots hitting his Fort Wayne, Indiana, house. He said someone was shooting from outside.

But the police found that Mr. Carlisle had hidden his loaded semiautomatic in his oven that night, forgotten it was there and then turned on the oven. The pistol warmed up and fired bullets through the oven into kitchen walls. No one was injured.

International Herald Tribune

Arkansas Top Court Dims Christmas Display

Reuters

LITTLE ROCK, Arkansas — The Arkansas Supreme Court has ruled that a homeowner's Christmas display that has drawn thousands of gawkers annually is too much of a good thing and must be downsized.

"We'll definitely take further legal action," said Sam Peronni of Little Rock, attorney for the Jennings Osborne family, which annually puts up what may be the largest privately owned arrangement of Christmas decorations — including some 3 million red light bulbs.

Mr. Osborne, a wealthy biomedical research executive, has covered his mammoth suburban Little Rock estate with Christmas lights for years, augmenting the glowing bulbs with figurines like an 18-foot (6-meter) high St. Nicholas and other Yule commemorations.

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Beethoven By Tokyo Quartet

By David Stevens
International Herald Tribune

PARIS — The Tokyo Quartet, which is celebrating its 25th anniversary this year in part by performing the complete Beethoven string quartets in the Théâtre du Châtelet's ongoing survey of the composer's music, is a prime example of a powerful Tokyo-New York string-playing axis.

Its two remaining founding members, the violinist Kazuhide Isomura and the cellist Sadao Harada, and its other original members all were trained at the Toho Gakuen school and its celebrated string pedagogy, Hideo Saito. They made their way to New York's Juilliard School and a defining formative stage in the late '60s with members of the Juilliard Quartet.

The route to New York was circuitous, however. Isomura and Harada passed by way of Tennessee and the Nashville Symphony, picking up some extra change in gigs with Johnny Cash, Elvis Presley and other denizens of Nashville.

Kikei Ikeda, the second violinist, also came to Juilliard by way of the Toho academy and Saito, and joined the quartet in 1974.

He remembers Saito as being "very demanding, even harsh at times, but without him there would never have been so many outstanding Japanese violinists."

Peter Oundjian, the Tokyo's first violinist since 1981, came by a different route. The Toronto-born Briton trained first at the Royal College of Music in London before turning up at Juilliard in the mid-'70s.

When not concentrating on one composer's output, such as Beethoven, which the quartet has recorded complete for BMG/RCA, the Tokyo's programs are about half 20th-century works. One recording combines a Toru Takemitsu work with quartets by Samuel Barber and Benjamin Britten. The American composer Ezra Laderman is writing a quartet for them, and their repertoire includes such modern landmarks as Bartók, Janáček, Lutosławski and Ligeti.

"The repertoire is wonderful and there is a hunger on both sides, ours and the audience's," Oundjian says. "We like to create interesting programs, and very often out of three works on a program, two will be contemporary."

At its second Châtelet concert on Monday the quartet was in strong form with two pivotal works, the first of the "Razumovsky" quartets and the Opus 127. The precision and impeccable sound was perhaps to be expected, but the warmth, sensitivity to nuance, and inner cohesion come only with time.

A third recital is due next Monday, and the cycle will be completed with three more concerts in March.



The Beatles in the '60s.

Beatles 'Live at BBC' Is a Letdown

By Allan Kozinn
New York Times Service

NEW YORK — American Beatles fans thought they were in for a treat in the 1960s when new albums and singles were pumped out every few months and films, tours and appearances on "The Ed Sullivan Show" kept the Fab Four in view.

But by 1970, when the band split up and its legacy was undergoing serious examination, it became clear that America had seen only part of the picture. Imported records showed that the early American albums were truncated distortions of the British originals. And bootleg recordings of British radio shows brought even hotter news.

These pirated disks revealed that while Americans were hanging by their radios awaiting the hits, British listeners regularly heard the Beatles performing live on the BBC.

Between 1962 and 1965, the band played 88 songs on British radio, most in multiple versions for a total of more than 280 performances. Included were 36 songs the group never recorded for its record label, EMI.

It is no exaggeration to say that these recordings add significantly to our knowledge of what made the Beatles tick: even the familiar songs were played in arrangements that were harder-edged than the fussed-over studio versions.

So the first commercial release of this material — the new "Live at the BBC" set (EMI/Capitol; two CDs, cassettes

and LPs) — should be a bona fide big deal.

But anyone who knows these recordings, either from their abundant representation on bootlegs or from the BBC radio specials that have been broadcast annually since 1982, will find this collection more flawed than satisfying.

What's wrong? To begin with, the set offers only 56 of the 88 songs, and only

formers and sophisticated songwriters.

Their BBC performances charted that development just as their commercial recordings did, but one would never guess that from this resolutely non-chronological hodge-podge, which makes it as far as the 1965 hit "Ticket to Ride" before backsliding toward "Love Me Do," the Beatles' primitive 1962 debut single, an odd finale for this collection.

Not that the set is a total washout. EMI has refurbished these recordings, many of which come from bootlegs or off-the-air tapes, and although a few tracks have the slightly hollow sound that digital noise-reduction processes sometimes yield, most sound far better than anything previously bootlegged or broadcast.

There are some fabulous performances here. Included are "I'll Be on My Way," a Lennon-McCartney song the Beatles never recorded for EMI and a magnificent cover of Arthur Alexander's "Soldier of Love."

Among the familiar songs are a gorgeously supple version of "Baby It's You" and hard-rocking takes of "I Saw Her Standing There," "I Wanna Be Your Man," "Thank You Girl" and "Long Tall Sally" that blow away the studio versions by every measure except sound quality.

Paul McCartney's horizons as both a rock screamer (in Little Richard's "Lucille" and "Clarabella") and as a crooner (in Mikis Theodorakis's "Honeycomb Song") are expanded.

Other non-EMI tracks clarify John

Lennon's penchant for rhythm 'n' blues and George Harrison's preference for rockabilly. Ringo Starr's energetic drumming shows that he was no cipher.

The collection also has an attractive booklet with an essay by Derek Taylor, the band's pal and one-time publicity officer, and detailed annotations by Kevin Howlett, a BBC producer and the author of "The Beatles at the Beeb," a study of the group's radio life. Yet here, too, there is obfuscation.

In a rare example of BBC fudging, the solo from the EMI version of "A Hard Day's Night" — Harrison on 12-string guitar with the group's producer, George Martin, doubling on piano — was edited into the BBC performance.

Collectors have long assumed that Harrison was unable to play it properly that day, although he later performed it in concert. Don't expect clarification here: Howlett matter of factly refers to the edited piece as Martin's piano solo.

But "Live at the BBC" cannot compare to "The Complete BBC Sessions" (Great Dane; nine CDs), a boxed set recently released in Italy, where copyright protection for broadcast lasts only 20 years. The lavishly annotated Great Dane box includes 239 performances and a few outtakes that were not broadcast.

All 36 non-EMI tracks are there. And the shows, with their between-songs banter largely intact, are presented chronologically. The set's quality varies, but some tracks ("I'll Be on My Way" and "Johnny B. Goode," for example) sound better than on "Live at the BBC."

'New England': Britons in Bitter American Exile

By Sheridan Morley
International Herald Tribune

LONDON — Somehow we never expect American contemporary dramatists to be Chekhovian. Accustomed to the Ibsenite severity of an Arthur Miller, the Deep Southern neurosis of a Tennessee Williams, or the raw strengths of Shepard or Mamet, we have yet to come to proper terms with the literary greatness of A.R. Gurney or Richard Nelson. Gurney is indeed shamefully neglected over here; Nelson has had rather better luck in that the Royal Shakespeare Company has adopted him as their tame American these last five years and stayed with him, even when, as in "Columbus," the going got critically rough.

Nelson, back now at the Barbican Pit with "New England" (for my money the best new play of the year if we give comedy awards to "Dead Funny" and "My Night With Reg"), is at his strongest when writing of exile. Whether it's Czechs in New York, Americans in Moscow or a group of U.S. college professors wearily doing the literary landmarks of old England, he has cornered the market in displacement.

What we have is a weekend in the country. The phrase at once suggests an unholy

mix of Sonheim and Turgenev, and you would not be that far off the mark. We are in fact in Connecticut, but the New Englanders are virtually all British passport-holders who have ended up in disgruntled American exile, teaching or painting or writing in a land they hate but for various familial or financial or temperamental reasons find themselves unable to escape.

They are all members of one extended family, brought together by something a

little unfortunate which happens just as the play begins. Its apparently central character, a faithless old music professor, blows his brains out across his desk.

The relatives then gather for his funeral. His twin brother (played not surprisingly by the same actor), his three children, his girlfriend, a disenchanted observer and a wonderfully querulous and imperious French daughter-in-law all sit around his kitchen in Connecticut objecting not really to the man or the manner of his death, appalling though both are, but to the nature of their promised land.

Just as in "Some Americans Abroad" Nelson perfectly caught the insecurities of

the backpacking academic, so here he pinpoints the classic British resentment of American life, a mixture of irritability at apparent ingratitude and incomprehension at the face in the mirror which suddenly changes while you stay the same.

We expect Americans to be our children, and our benefactors, and our perennial hosts. We don't expect them to be our guests or our replacements, and when they turn nasty all we can really do is bitch about their less attractive characteristics. A lot of bitching goes on here, adding up to a play not about the new England of the

title but about the old England where things like other countries were still manageable and knew their place.

Peter Gill brilliantly orchestrates the best ensemble cast in town.

Having given us, in "Street of Crocodiles," one of the best and certainly most inventive theatrical evenings of the year, the Theatre de Complicité group now end it with one of the worst. On the National's Lyttelton stage, "Out of a House Walked a Man" is a catastrophic attempt to do for the absurdist writings of Daniil Kharmis

what "Crocodiles" did so triumphantly for Bruno Schulz. The problem is that while Schulz was clearly a lost talent worth rediscovering, Kharmis defies all attempts to arouse any interest in us.

A talented cast of actors, dancers, musicians and mimes is therefore left floundering around in the (often literal) dark trying to make some sense out of a chaotic kind of nihilism. Only Kathryn Hunter as a corpse regularly flailing back to life seems to have any real energy, and even that characteristically comes from beyond the grave and the pale.

LONDON THEATER

A Lively Cast for 'Chantecler'

By Thomas Quinn Curtiss
International Herald Tribune

PARIS — Jérôme Savary's adaptation and direction of "Chantecler" at the Châtelet is closer to Walt Disney than to Edmond Rostand's satirical piece about life in a barnyard in southern France.

Its hero, Chantecler, a rooster, is proud of his alarm-clock "cocorico" that awakens the community. He believes that his morning cry brings dawn, but he misses a sunrise to save a golden pheasant hen from hunters. His pride is restored when he is consoled that he is one of the helpers, if not the only one, who makes the sun rise.

An excellent company has been assembled. Jean-Claude Dreyfus is a memorable Chantecler and Marc Dudoicourt is perfect as Patou, the tired old dog. Evelynne Buyle as the guinea fowl, Agnès Sorai as the golden pheasant hen, Maxime Lombard as the blackbird and Laurence Roussarie as the cat are precious jewels.

Robert Hossein's "La Nuit du Crime," based on a novel by Steve Passeur, has opened at the Théâtre de Paris. It would be a crime to reveal the secrets of this detective piece, but don't miss the first five minutes or you will not understand the story. In a mansion 12 characters are present and all are suspects. The rest you must see for yourself.

This year marks the tricentenary of the birth of Voltaire and several theaters are presenting shows based on his life and writings. A theater in Montmartre, La Comédie de Paris, has dramatized Voltaire's writings into witty sketches in "Voltaire

Rousseau." At the Hôtel de la Monnaie, to accompany an exhibit of portraits and letters of Voltaire, a theater company is presenting "L'Opéra de la Foire Saint-Voltaire," a potpourri of Voltaire's notions superbly accompanied by music.

In "Comment ça commence?" at the Bouffes du Nord, Bernard Haller, an extraordinary solo artist, enacts Charon, who ferries the souls of the dead across the river Styx. Charon complains of the increasing traffic and, worse, finds living beings aboard. He does not know what happens to his cargo when they land on the far shore.

BOOKS

THE ROAD FROM THE PAST: Traveling Through History in France

By Ina Caro. 339 pages. \$27.50.
Nan A. Talese/Doubleday

Reviewed by
Katherine Knorr

THIS charming book takes the reader time-traveling. Ina Caro's voyage from the Roman Empire to Napoleon's Paris is a trip through some of the most beautiful parts of France, and not incidentally, through quite a few places where the

food and the wine are an important part of the scenery.

This is also a personal book, a lyrical recollection of trips to Europe, beginning in 1974, taken by Caro and her husband, Bob, who in another life is Lyndon Johnson's biographer but in this book is a benevolent, mostly patient and utterly reasonable traveling companion.

Caro studied medieval history in college, and throughout this book she is taking the physical measure of the past.

She begins in the ruins at Orange and Nîmes, and then ushers us through blood and fire,

religious wars, feudal rivalries and monarchical madness, into the light of the Renaissance, to Louis XIV's punishment of his superintendent of finance, Nicolas Fouquet, for the in-the-king's-face magnificence of Vaux-le-Vicomte. And thus we visit Provence, the Languedoc, the Dordogne, the Loire Valley and the Ile-de-France.

Caro brings the reader along gently, with precise information on how long it takes to drive from one place to another, what roads to choose, how much time to budget for this or that sight; she is also helpful on where to linger, on what towns are pleasant places to have a long coffee or a picnic, and which are dull or overcrowded or seem to have metamorphosed into parking lots.

Although the book is written for visitors who don't know France well, it is packed with information even for people who do (and occasionally contains, unfortunately, the kinds of errors in French that ought to be caught by editors). Caro does not seek to be exhaustive about hotels or restaurants, but she tells us about the ones that have become favorites and about others that have failed her test.

She approaches every new step visually — what's the view from the hotel or restaurant, what can be seen and measured and studied before it is visited. Caro is an opinionated traveler, appalled by French driving (this is a nation of tailgaters), taking no guff from unpleasant restaurateurs and smugly tour guides, and refreshingly direct about what to avoid.

She is quite right to warn the visitor against Versailles, which in the 1960s could be visited with the expectation of seeing

something and now is just another place to stand in line beside a lot of people with video cameras.

This is true of famous "tourist sights" all over the world, of course, and this is why Caro's approach, to follow a historical and architectural line and stick to places that not only should be seen but can be seen, means the difference between a rewarding and illuminating trip and a frustrating tramp.

As Caro takes us time-traveling, we share her sadness at how much has changed for the worse since 1974. Still, she will not be discouraged. She loves the visual and historical wealth of France, and has climbed to many a troglodyte church and remote keep to see it.

International Herald Tribune

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FICTION		
Rank	Title	Weeks on list
1	THE CELESTINE PROPHECY, by James Redfield	40
2	POLITICALLY CORRECT BEDTIME STORIES, by James Finn Garner	24
3	INSOMNIA, by Stephen King	7
4	WINGS, by Danielle Steel	1
5	DEBT OF HONOR, by Tom Clancy	14
6	THE LOTTERY WINNER, by Mary Higgins Clark	5
7	TALOS, by Anne Rice	4
8	GOD'S OTHER SON, by Don Lums	19
9	DARK RIVERS OF THE HEART, by Dean Koontz	12
10	THE BRIDGES OF MADISON COUNTY, by Robert James Waller	11
11	NOTHING LASTS FOREVER, by Sidney Sheldon	10
12	THE GIFT, by Danielle Steel	13
13	THE CRYSTAL STAR, by Vonda N. McIntyre	2
14	STAR TREK GENERATIONS, by J. M. Dillard	1
15	LORD OF CHAOS, by Robert Jordan	7
NONFICTION		
1	CROSSING THE THRESHOLD OF HOPE, by John Paul	5
2	DON'T STAND TOO CLOSE TO A NAKED	

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Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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姓名	性别	年龄	籍贯	职业	文化程度	健康状况	婚姻状况	子女情况	其他
王德胜	男	45	山东	农民	小学	良好	已婚	2子1女	
李秀英	女	38	河北	工人	初中	良好	已婚	1子1女	
张国强	男	52	河南	干部	高中	良好	已婚	2子1女	
刘小红	女	28	江苏	教师	大学	良好	已婚	1子1女	
陈为民	男	40	浙江	商人	小学	良好	已婚	2子1女	
赵大刚	男	35	湖北	工人	初中	良好	已婚	1子1女	
孙丽娟	女	32	湖南	护士	高中	良好	已婚	1子1女	
周国强	男	48	四川	农民	小学	良好	已婚	2子1女	
吴小芳	女	25	广东	学生	大学	良好	未婚	无子女	
郑为民	男	55	安徽	工人	初中	良好	已婚	2子1女	
冯大刚	男	30	江西	商人	小学	良好	已婚	1子1女	
李秀英	女	35	福建	教师	高中	良好	已婚	1子1女	
张国强	男	42	山西	工人	初中	良好	已婚	2子1女	
刘小红	女	22	陕西	学生	大学	良好	未婚	无子女	
陈为民	男	50	甘肃	农民	小学	良好	已婚	2子1女	
赵大刚	男	38	宁夏	工人	初中	良好	已婚	1子1女	
孙丽娟	女	30	青海	护士	高中	良好	已婚	1子1女	
周国强	男	45	新疆	商人	小学	良好	已婚	2子1女	
吴小芳	女	28	内蒙古	学生	大学	良好	未婚	无子女	
郑为民	男	52	黑龙江	工人	初中	良好	已婚	2子1女	
冯大刚	男	32	吉林	商人	小学	良好	已婚	1子1女	
李秀英	女	38	辽宁	教师	高中	良好	已婚	1子1女	
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周国强	男	48	湖北	商人	小学	良好	已婚	2子1女	
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1.50	4		100	100						
3.15	100		100	100						
1.28	100		100	100						
1.00	100		100	100						

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 1, 1861. It is a formal communication, and it is written in a very formal and dignified style. The President begins by addressing the Congress, and then he proceeds to discuss the state of the Union. He mentions the progress of the country, and he also mentions the difficulties that the country is facing. He then goes on to discuss the policy of the administration, and he ends the letter by expressing his confidence in the Congress.

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8. The eighth part of the document is a report from the Secretary of the Agriculture, dated January 1, 1861. It is a formal report, and it is written in a very formal and dignified style. The Secretary begins by addressing the President, and then he proceeds to discuss the state of the Agriculture. He mentions the crops of the country, and he also mentions the farmers of the country. He then goes on to discuss the policy of the administration, and he ends the report by expressing his confidence in the President.

9. The ninth part of the document is a report from the Secretary of the Commerce, dated January 1, 1861. It is a formal report, and it is written in a very formal and dignified style. The Secretary begins by addressing the President, and then he proceeds to discuss the state of the Commerce. He mentions the trade of the country, and he also mentions the merchants of the country. He then goes on to discuss the policy of the administration, and he ends the report by expressing his confidence in the President.

10. The tenth part of the document is a report from the Secretary of the Finance, dated January 1, 1861. It is a formal report, and it is written in a very formal and dignified style. The Secretary begins by addressing the President, and then he proceeds to discuss the state of the Finance. He mentions the money of the country, and he also mentions the banks of the country. He then goes on to discuss the policy of the administration, and he ends the report by expressing his confidence in the President.

[The page contains several lines of extremely faint, illegible text.]

1. The first part of the document is a list of names and addresses, which appears to be a directory or a list of subscribers. The names are written in a cursive script, and the addresses are listed below them.

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LUXEMBOURG: SCHAEFER, HOLLAND: JONKHEER, ROTTERDAM - ROSENBERG
UNITED KINGDOM: GARRARD, LONDON - TURKEY: TEKTAŞ, ISTANBUL - BANREIN: TAO'S JEWELLERY
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 (二) 會址：設於臺北市中正路。
 (三) 宗旨：研究教育學術，促進教育發展。
 (四) 業務：包括學術研究、出版刊物、舉辦會議等。
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GERMANY

The EU Agenda

CRAFTING CONSENSUS

Substantial progress on key issues is expected at Essen.

At critical junctures in its history, the European Union has displayed an unexpected ability to find consensus and to renew itself. In a time fraught with critical issues and marked by the need to make further advances toward a new kind of union, consensus-building has been a leitmotif of the German presidency. The EU summit on December 9-10 in Essen is expected to display this aptitude once again.

Essen is expected to produce substantial progress on key issues. The deterioration of the atmosphere is perhaps the most pressing of all environmental problems. On the table in Essen is a comprehensive proposal on reducing amounts of carbon dioxide in the atmosphere by setting graduated "taxes" on excess emissions. Advanced by Germany, the tax concept builds on the ideas and the impetus of 1992's "Rio I" conference on the environment. The proposal, in turn, is to form a cornerstone of the work of "Rio II" ("The Conference on the Climate"), to be held in Berlin March 28-April 7.

Combating racism
Xenophobia is endemic throughout the world. To combat it in Europe, a sweeping initiative is up for consideration and probable approval at Essen. This anti-racism initiative arose from joint deliberations conducted by France and Germany.

The Baltic countries have joined a gratifyingly long list of countries in Central and Eastern Europe commending themselves for membership in the EU. The summit is expected to approve the strategy for dealing with expansion. "Continuing coordinated work has preceded the formulating of these proposals," says Klaus Kinkel, Germany's foreign minister. "This continuity is no accident."

He adds: "Germany's work during its presidency builds on that of the Greek one which preceded it, and will be followed by the French and Spanish ones following. This continuity is no accident, but rather the product of a consensus reached by

these countries. This emphasis on constant and concerted consensus-building has ensued directly from the EU's past, from our looking at the past's events and learning lessons from them."

Two steps forward
Mr. Kinkel is referring to two of Europe's most important steps forward – the "Delors push" toward the European Single Market in the mid- and late-1980s and the formulation of "Open House Europe" over the last few years. Both of these initiatives followed the same pattern. An era of uncertainty and doubt about the EU's fundamental role – think back to all the talk about "Euroclerosis" and "Fortress Europe" – was succeeded by a broad-based agreement on courses of action.

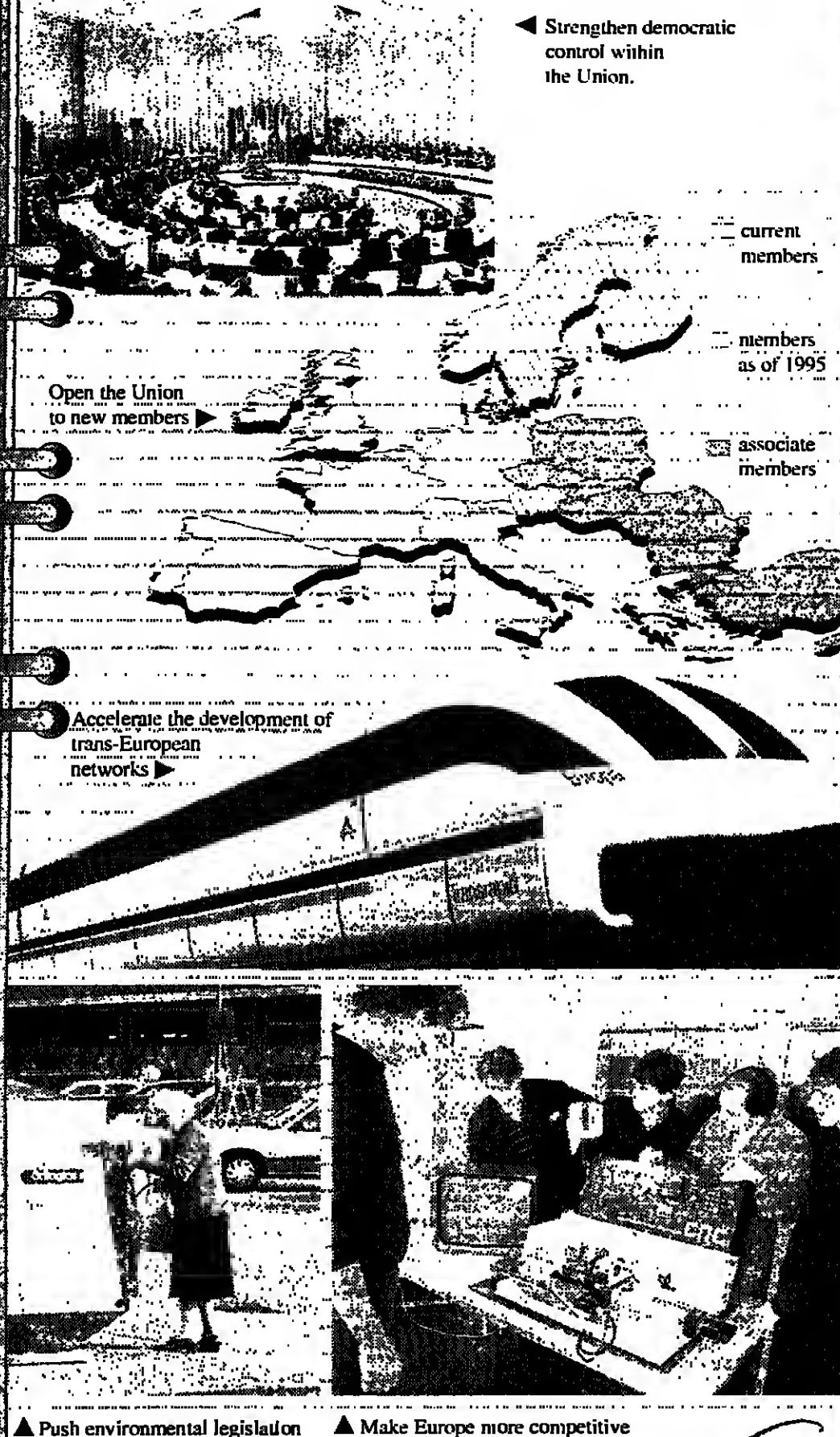
Through this pattern, the idea has understandably arisen that a sense of crisis is needed to trigger consensus-building," Mr. Kinkel says. "The consensus that is being built during these four presidencies will dispel that notion."

The summit's location provides a timely example of what consensus-building can achieve. By building a broad-based public- and private-sector coalition, and through years of patient, persistent work, the Ruhr district has completely transformed itself.

Clean, green Ruhr
Today, the Ruhr is green (62 percent of its area consists of parks, lakes, farms and gardens), clean in terms of air and water quality, and diversified. The region's 200 billion Deutsche mark (\$127.9 billion) economy is centered around technical and trading services, automotive and electronic engineering, and chemical and environmental technologies – and not around the smoking steel mills and looming coal mines of the past.

Germany's consensus about the EU and its role in it did not have to be built or

Continued on page 14



The German Presidency, July-December, 1994



On July 1, 1994, for the first time since our country regained its unity in October 1990, Germany assumed the presidency of the Council of the European Union. The federal government is utilizing the six months of this presidency to accelerate progress toward successful completion of the individual stages leading to the political and economic union of Europe delineated in the treaty of Maastricht. The Intergovernmental Conference scheduled for 1996 will mark one such important stage.

The unification of our country has not altered the European orientation of our policies. German unity and European unification – as Konrad Adenauer himself once said – are two sides of the same coin. One thing is certain as far as we Germans are concerned: There is no alternative to European integration.

Over the course of the past four decades, the European Community has proved to be an anchor of stability for peace, freedom and economic prosperity. For Germany, the country with the most neighbors in Europe, continuation of the process of European unification is the key to its fate.

The great challenges of the future can no longer be mastered at the national level alone. In order to alleviate unemployment, safeguard European competitiveness, resolve the issue of asylum, protect the environment and combat international drug-related crime, we in Europe must act together. These priorities have dictated the agenda of the meeting of the European Council to be held in Essen on December 9-10, 1994.

At the top of the agenda in Essen is the securing of Europe's position as an attractive industrial and business location, as well as the reduction of unemployment on the basis of the White Paper submitted by the president of the European Commission, Jacques Delors. The establishment and development of trans-European networks in the area of transport, energy and information infrastructures take on special importance in this context. These networks constitute a key precondition for Europe's future ability to contend with increasingly intense international competition.

Secondly, we must strengthen cooperation in the fields of domestic security and legal policy. In view of the growing threat that international crime, the drug Mafia and terrorism pose to our liberal democratic societies, it is essential that we make swift progress. Our accomplishments in precisely this area will be the yardstick by which the citizens of Europe measure the success of European unification.

Establishment of a European police authority is long overdue. We want to see the Europol Convention concluded before the end of our presidency. It is equally important that we finally reach a consensus on asylum and immigration policy.

Thirdly, we will do our part to ensure that the provisions of the treaty of Maastricht pertaining to the Common Foreign and Security Policy are resolutely implemented. A united Europe can only then appropriately and effectively bring its interests and values to bear on a global scale if it speaks with one voice – especially in times of crisis.

Fourthly, we must focus particular attention on drawing the young democracies in Central, Eastern and Southeastern Europe closer to the European Union. The countries of the former Warsaw Pact look to the European Union with high expectations.

We dare not turn them away as they approach us, for to do so would unleash a new wave of instability on our continent. Cracow, Prague and Budapest are great centers of European culture just like Paris, Geneva or Weimar. The idea that the western border of Poland could permanently form the eastern boundary of the European Union is unacceptable to me.

Fifthly, we will seek to encourage greater transparency within the European Union and bring it closer to its citizens by consistently and resolutely applying the principle of subsidiarity. Centralism reflects neither the will of Europe's citizens nor does it serve their interests.

All the more important, therefore, is the message of Maastricht, namely for a Europe which is in closer touch with its citizens, a Europe in which subsidiarity and the federal system can also be experienced in everyday life.

Sixthly, Germany will continue to strive to strengthen democratic control within the European Union. One result of its efforts is the full involvement of the European Parliament in the preparations for the 1996 Intergovernmental Conference. Another focus of German endeavor is the intensification of cooperation between national parliaments and the European Parliament.

As we travel the road to a unified Europe, we must devote ourselves to two important tasks at the same time: the deepening of integration and the enlargement of the Union. These goals are not mutually exclusive – rather, they can and must complement one another. Following the positive outcomes of the referendums in Austria, Finland and Sweden, there are no more obstacles to the enlargement of the Union, scheduled for the beginning of 1995.

The accession of these countries will enrich the whole of Europe – politically, economically and culturally. Hereafter as well, the European Union will continue to be open to new members.

My vision for Europe in the 21st century is a Europe in which all the citizens of our continent can enjoy the blessings of peace, freedom, prosperity and social security. Germany's policy on Europe is oriented toward this goal. I would like to invite every citizen of Europe to work with us to make this vision materialize.

FOREIGN INVESTMENT FUELS REBUILDING

"The reconstruction of Germany's new states has been one of the most closely watched, most often discussed processes in modern economic history," says Theo Waigel, Germany's minister of finance.

The key question is whether the upswing will suffice to generate broad-scale economic reconstruction. According to a recent study, that seems to be happening. As of September, the new states' economies are growing at an 9.5 percent annual rate and their industrial sectors at 25.5 percent.

The number of "active" companies forming the region's private sector is now more than 460,000. Of these, 14,240 are industrial companies privatized by the Treuhandanstalt. The agency will turn over the remaining hundred to its successor agencies on December 31, 1994.

For many observers, the monthly foreign investment indicators are the most important, since they depict the international business community's evaluation of the reconstruction process. Through the Treuhandanstalt, some 900 non-German companies have invested an estimated 25.4 billion Deutsche marks (\$16.3 billion) in Germany's new states. Another 700 non-German companies have invested 12 billion DM in the new states' production and technical services sectors through direct and greenfield investments. Perhaps a thousand more have set up franchises or sales offices or found local representatives in the new states.

"One problem with keeping track is that foreign companies are not required to register their investments anywhere in Germany," explains Bernard Veltrup, senior business development official at Germany's ministry of economics,

adding: "In any case, a current center of foreign investment interest in the new states is in the forging of joint ventures, which are especially difficult to monitor."

Despite tight corporate budgets and intensive global competition for investments, many of the world's leading companies have staked a large portion of their capital resources on the future development of Germany's new states.

"Dow to buy core of East German chemical sector," ran the mid-October headline in the world's business papers. The 2.9 billion DM investment by the U.S. Dow Chemical is to be made through its German subsidiary, Dow Deutschland, with Russia's Gazprom scheduled to join in at a later date; the acquisition will be a range of chemical facilities in Saxony-Anhalt's Böhlen, Buna and Leuna.

Belgium's Cockerill Sambre has acquired a majority stake in Eisenhüttenstadt's Eko Stahl AG, with approval still pending from Brussels.

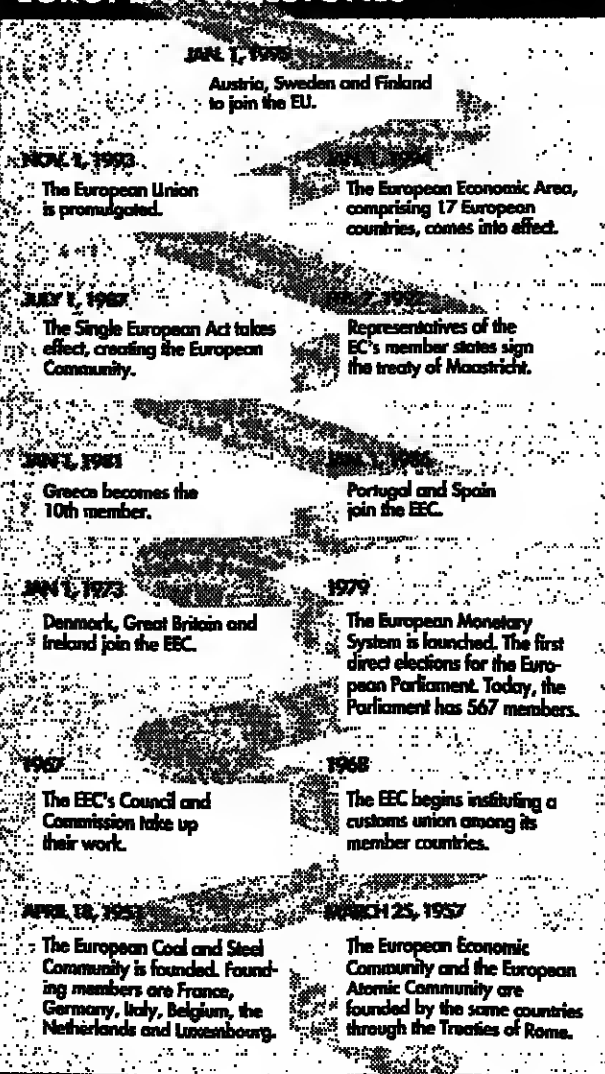
The largest foreign investment in the new states was also finalized in 1994. Made by a consortium of France's Elf Aquitaine SA, Germany's Thyssen Handelsunion and Russia's Rosneft, the deal centers around the construction of a 4.5 billion DM petroleum refinery in Leuna, Saxony-Anhalt.

These second-generation purchasers have allocated two to three years for the revamping and relaunching of their new charges – about the same time it has taken their first-generation counterparts to reshape their new companies.

Two years ago, Kvaerner, the Norwegian-based energy processing and shipbuilding giant, acquired the Warnow shipyards, located in Warnemünde (the port of Rostock), from the Treuhandanstalt. Now modernized, Warnow's facilities are already turning out ships; production at its new yards is set to begin early next year.

A year ago, MIBRAG (Mitteldeutsche Braunkohlengesellschaft mbH) became Western Europe's first major energy producer to go into "foreign" hands. MIBRAG, which mines and processes lignite, also operates three industrial power plants. MIBRAG's new owners, an Anglo-American consortium, plan to invest 1.3 billion DM in the company over the next 10 years.

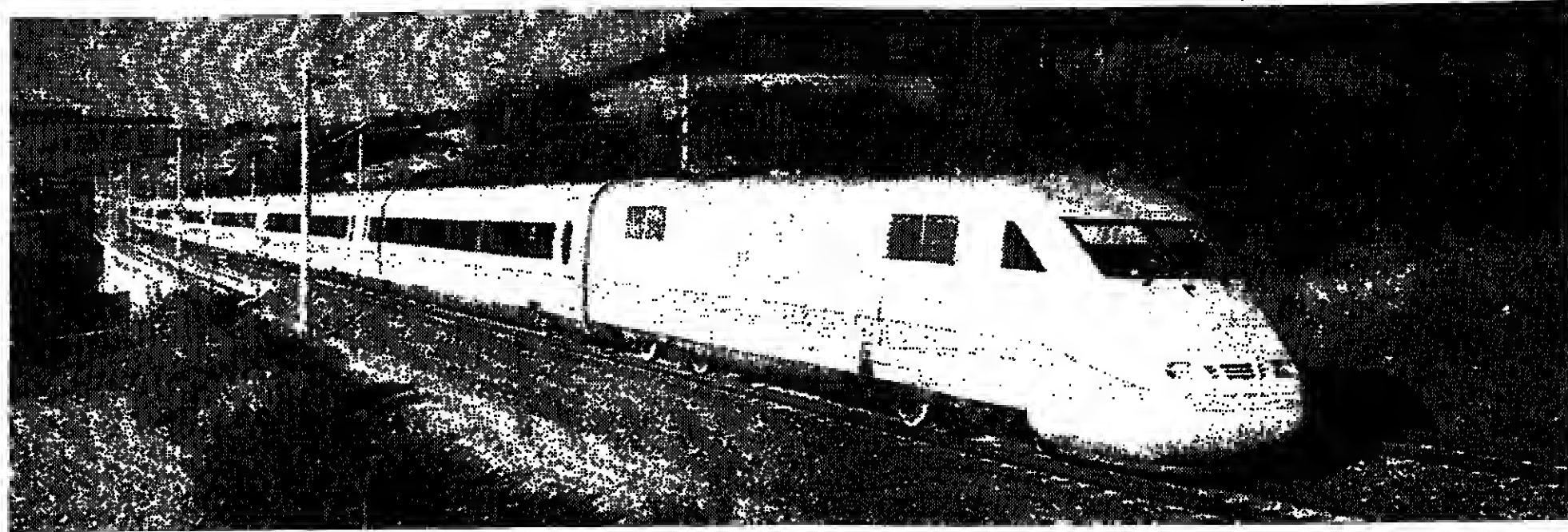
EUROPEAN MILESTONES



Theo Waigel, Germany's finance minister.

SPONSORED SECTION

G E R M A N Y



CHIPS: OUT OF RED

The tide has turned for microelectronics companies.

Siemens' 2.7 billion Deutsche mark (\$1.7 billion) investment in a microelectronics facility in north Dresden is the most prominent sign of microelectronics growth. The facility will start production in late 1995; the ultimate product will be 256-megabit chips.

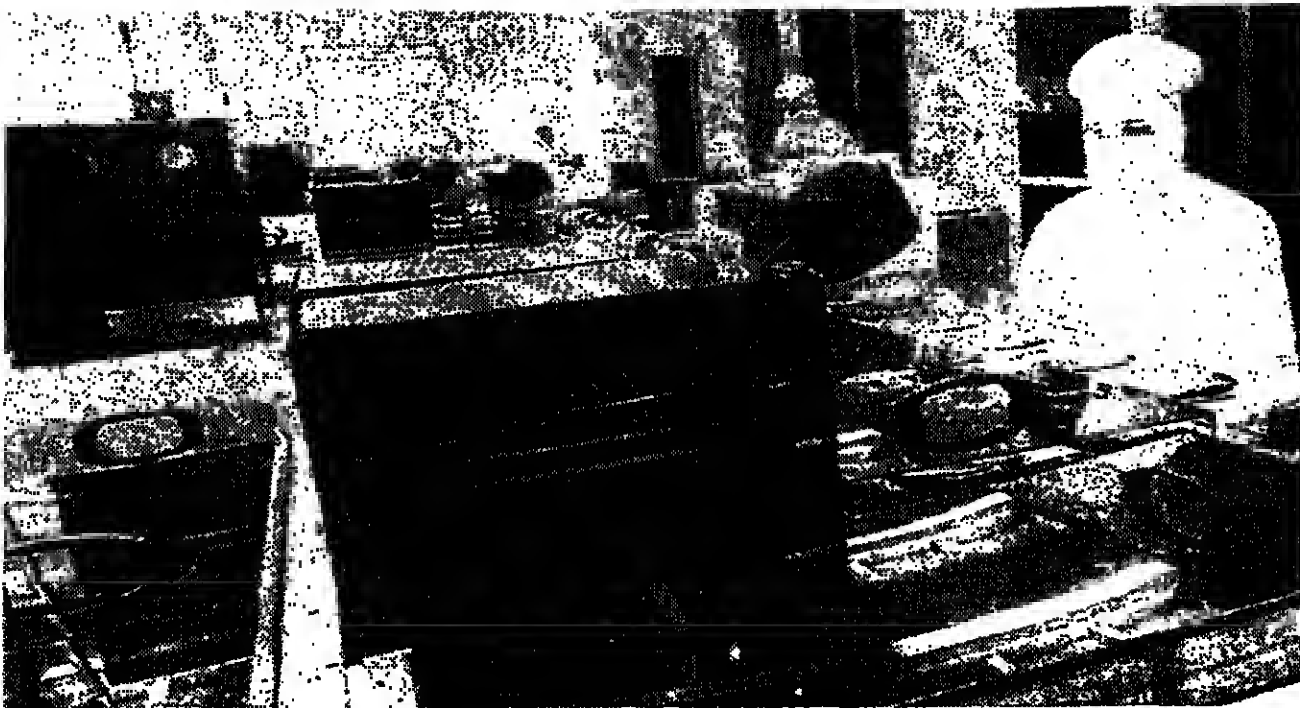
"Until a few years ago, computers accounted for 90 percent of all chip use. With computers becoming a mass-market item, chips were being commoditized — bad news for Europe's high-end producers," says Jürgen Knorr, head of Siemens' semiconductor division.

"Then came the telecommunications boom and the computerizing of production operations. These areas have a great and growing need for ASICs (application specific integrated circuits) and other high-end chips, plus related integration and systems building services — areas in which we in Europe had been working for years," adds Mr. Knorr. In 1993,

Germany's microelectronics producers recorded a 26 percent rate of turnover growth. This year looks even better.

Pacesetter Siemens' semiconductor division recorded a 40 percent rise in turnover and a return to profitability in fiscal year 1993-94 (to September 30).

Two years ago, the industry was seen as a dying relic of Europe's failed industrial policies. The situation today is very different. Microelectronics plants are being built or expanded in Bavaria, Baden-Württemberg, Thuringia and Brandenburg. "I think it would be fair to call it the European chip-makers' great break-out from the computer ghetto," says Guy Dumas, vice chairman of the board of JESSI (Joint Electronic Submicron Silicon Initiative), the pan-European microelectronic program.



High-tech circuits: for transporting people (top, the Inter-City Express) and information (above, wafer fabrication).

GERMAN INDUSTRY MOST SUCCESSFUL IN MOST COMPETITIVE SECTORS

Orders for Germany's industrial products are up 10 percent this year. Another special accomplishment.

In 1984, Germany was the second-largest exporter in absolute terms and largest on a per capita basis among the world's major nations. Its trade surplus came to 48 billion Deutsche marks (\$30.9 billion). Today, a decade later, Germany is still the world's second-largest exporter and largest on a per capita basis.

Accounting for 11.4 percent of the world's trade, Germany's trade surplus will amount to 74.5 billion DM this year, according to Germany's Association of Large-Scale and Wholesale Traders. The country's overall balance of payments will probably be somewhat in the red.

A special accomplishment is its success in maintaining the level of competition and the number of exportable competitors have dramatically increased over the last decade, says Klaus Bräuninger, president of Maschinenbau Hilti.

"It's a special accomplishment because the Germans have been most successful in those areas and sectors where the competition and competitors are strongest and in which we were supposed to be weakening."

In 1993, Asia registered an impressive 10 percent rate of growth. German exports to Asia outpaced that figure, rising 14 percent, with a phenomenal 68 percent rise in exports to China. According to Deutsche Industrie- und Handelskammer, Germany's federation of industry, the Asia-Pacific region now accounts for 10.8 percent of Germany's exports, a bit less than double its share a decade ago.

Customers in Asia, North and South America and the world's other high-growth markets are purchasing such big-ticket items as steel mills, power plants and the manufacturing facilities from German manufacturers. For the first three quarters of 1994, orders for German capital goods from abroad are up 11 percent; 40 percent of these orders are from the Asia-Pacific region. German exports as a whole are running 8 percent higher, a bit better than the average global trade growth

of 7 percent. Behind these rosy statistics are some hard realities and a lot of hard work.

International supply networks

"These national successes are being achieved by a maximum use of international supply networks. The age of purely local or national production is over," says Mr. Bräuninger.

Today, Germany's capital goods producers purchase everything from raw materials to software engineering services all over the world, always with the goal of maximizing the cost-quality relationship.

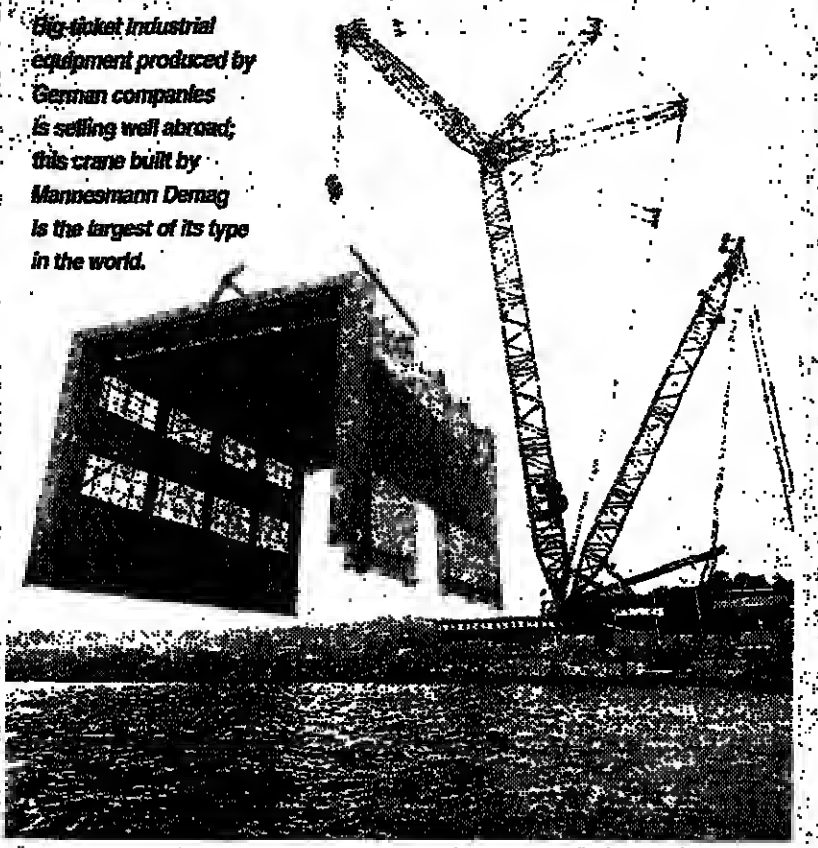
Due to such practices, the country is also the world's second-largest importer, set to purchase 604 billion DM in goods abroad this year.

As the latest statistics show, Ger-

many's domestic manufacturing sector has been faring well in this era of internationalization. Profiting from increasing non-German purchases of such items as microelectronic components, industrial production is now set to record a turnaround of 1.5 percent growth in 1994, propelling the economy as a whole to a 2.8 percent rate of growth. Orders for industrial products — a key early indicator — are up a strong 10 percent.

U.S. companies satisfied

According to a recent poll conducted by the American Chamber of Commerce in Germany, 92 percent of all American companies operating in Germany would repeat their decision to invest.



The ticket industrial equipment produced by German companies is selling well abroad; this crane built by Mannesmann Demag is the largest of its type in the world.

'ICE TRAIN' SPARKS INDUSTRY REVIVAL

The ICE leads the way to export growth.

They are not figures to send people into future shock: savings of 25 minutes between Hannover and Munich, 39 minutes between Magdeburg and Berlin. They have, however, sufficed to revitalize an entire means of transportation. The line dividing slow and inconvenient from quick and attractive is a fine but very important one. For many people, Germany's train system crossed that line in June 1991, when the "Inter-City Express" (ICE) was put into operation. Initially serving 11 major German cities, the ICE was an instant hit, thanks to its 250 kilometer-an-hour top speeds and its sleek white design.

Service in new states

Use of the ICE has grown 56 percent over the last two years, nearly singlehandedly reversing the decline in rail passenger totals. Part of this growth has been due to the linking of a further 16 cities into the ICE hourly service grid. Of these cities, five are in Germany's new states. Today, Magdeburg is served by 90 inter-regional express trains (ICE, IC, EC class) every day. Before German unification, that number was, of course, zero.

To upgrade the new states' woefully inadequate track to ICE levels, some 24.5 billion Deutsche marks (\$15.7 billion) have been invested in their rail network, with some 3,000 kilometers of track already restored, built or extended.

This has been money well invested, according to Munich's IFO (Institut für Wirtschaftsforschung) economic forecast unit: Passenger use in the new states is up 28 percent in 1994.

This popularity extends throughout Germany. Situated at the crossroads of two major rail lines, Hannover does a "gold rush"

business in ICE trains. Up to four arrive and leave every 15 minutes during rush hour.

Trends such as these have led Deutsche Bahn AG, the country's federal rail company, to make "the single largest order in rail history," in the words of Munich's Süddeutsche Zeitung. The 5.5 billion DM order, a mix of outright purchases and options, includes an individual one for 50 ICE units. Thirteen will be used to extend ICE services to the Netherlands and France.

Prime beneficiaries of the ICE-led rail revival are the country's 53 rolling stock manufacturers. In 1993, their sales amounted to 11.84 billion DM, of which 40 percent went to customers abroad, specifically to those in America and Asia. The Germans hold just under one-third of the entire world rail market, according to the German technology weekly VDI Nachrichten.

In mid-1994, while the ICE was being showcased in trial runs in the U.S., Siemens was booking a 1 billion DM order, along with General Motors, for 350 advanced locomotives from an American customer.

In Malaysia, AEG secured a 735 million DM order from Kuala Lumpur's mass transit system. And the Germans made a key breakthrough into Japan's market, booking an order to supply locomotive electronics to a local producer.

With other large-scale orders in the works, the German rail industry would seem to be facing a promising future — especially now that its flagship product finally has a memorable, thus marketable, nickname. Seeing the ICE streaking its snowy white way down America's tracks, local big-city kids came up with an obvious but good cognomen for it: "the ice train."

ENERGIZING THE ECONOMY

Environment-friendly programs can boost growth.

Despite evidence to the contrary, many people still identify cleaner air and water with an automatic loss of GDP growth, industrial base or personal mobility.

During Germany's unparalleled, decade-long economic upswing — which led to a cumulative growth of 70 percent in GDP — declines in the levels of sulfur dioxide, dust, carbon monoxide, energy use and the contamination of all major West German waterways amounted to between 15 percent and 75 percent, depending on the area.

During this period, Germany's public and private sectors steadily increased their investments in environmental protection. Today, Germany allocates 1.7 percent of its GDP to environmental protection every year, ranking it second in the world in such expenditures, behind Denmark and just in front of the United States.

Manufacturing leads the way

This emphasis on environmental protection has been especially strong in the manufacturing sector. According to Germany's Environmental Protection Agency, the country's manufacturers have invested 80 billion Deutsche marks (\$51.6 billion) in environmental protection facilities and equipment over the last 20 years. The manufacturers allocate more than 5.1 percent of operating output to environmental protection, making them the world's leaders in this regard.

One of the beneficiaries of this investment has been the country's environmental technologies sector, boosting it to an increase in output — and thus producing further economic growth and job creation for the country as a whole.

In 1993, the 58 billion DM in goods and services turned over by Germany's environmental sector ranked it number one worldwide, according to a study by a German consulting group. The figure represented 20.5 percent of the world market and translated into a rise of 20 percent over 1990.

Furthermore, the country earned some 11.3 billion DM in 1993 through straight exports of environmental-protection systems, equipment and services.

A mastery of environmental technologies has given Germany's capital-goods producers a major edge in such high-growth markets as China, Southeast Asia and Japan. "Our clean-firing technologies were definitely a factor convincing the Chinese to purchase equipment from us," says Heyo Schmiedeknecht, chairman of the board of Oberhausen's Deutsche Babcock AG, now becoming a major supplier of facilities for China's power-generating sector.

As the Environmental Protection Agency points out in the 1993 installment of its annual audit on the country's environment, sharp reductions in the levels of many classic pollutants have been achieved. Other pollutants are proving intractable, however, and many substances have only now been identified as posing a danger to health and habitation. Most importantly, dealing with pollutants requires coordinated transnational action.

The implementing of initiatives at this level is precisely the idea behind the staging of the Conference on the Climate, to be held in Berlin March 28-April 7, 1995 by the states that have signed the Convention on the Climate.

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EU OUTREACH

No part of the world is foreign to the EU.

The European Union conducts one of the world's most active foreign policies, judging by the number of negotiations conducted with other regions.

The former European Community launched its "political cooperation" work in 1969. In 1987, the Single European Act upgraded this activity to the "implementation of the community's common foreign and security policies."

Intense negotiations for admission to the EU continue: Nine countries now have various forms of associate membership in the EU, six of them from Central and Eastern Europe (Poland, Hungary, the Czech Republic, Slovakia, Romania and Bulgaria).

Increasing access to the market

Both the EU and these associates are implementing complex schedules to progressively dismantle tariffs, quotas and other barriers to trade. Now moving into associate status are the three Baltic countries, each of which already has an extensive "free-trade agreement" with the Union. After prolonged negotiations, several CIS countries are now finalizing "partnership" agreements with the EU. These negotiations have facilitated expansion of trade and other business relationships. In 1993, both the EU's exports to and imports from the CIS region showed sharp rises.

Through the PHARE (originally, Poland-Hungary Assistance on Economic Reconstruction; it now applies to all of Central and Eastern Europe) and TACIS (Technical Assistance to the Commonwealth of Independent States) programs alone, the EU provided this region with 1.5 billion Ecu (\$1.2 billion) in 1993. Current plans are for PHARE to be allocated 7 billion Ecu over the next five years.

Dwarfing that figure are the amounts provided by individual countries. Germany, for instance, has supplied over 110 billion Deutsche marks (\$70.9 billion). This figure includes bank sureties, export guarantees, moneys granted to build homes for returning soldiers and the country's assumption of environmental and economic costs.

Role extends beyond Europe

The EU has long been the leading market for African, Caribbean and Pacific (ACP) countries, thanks to the series of Lomé agreements concluded between the EU and these countries. In force until the end of the decade, Lomé IV provides unrestricted access to the EU's market for 99.5 percent of all ACP products. The EU also funds a large-scale export revenue stabilization agreement for the ACP countries. All told, the EU has allocated 14 billion Ecu to support ACP countries over the 1990-1995 period.

ASEAN (Association of South East Asian Nations) is one of the EU's oldest and most well-developed counterparts. Not surprisingly, it was with ASEAN that the Europe concluded its first full-fledged trade and economic agreement 14 years ago. Since then, the volume of trade between the two regions has quadrupled, to 49 billion Ecu in 1993.

Another such agreement and another such story may be in the making. Impelled by the recent accession of the Republic of South Africa to the Southern African Development Community (SADC), the southern African organization is now busy restructuring the ties among its 11 member countries, whose combined population of 130 million accounts for half of Africa's total economic output.

Market ties are already well developed. Forty percent of the SADC countries' imports come from the EU, and 30 percent of its exports go to the EU, which also supplied 5 billion Ecu over a 17-year period for the development of SADC's member countries and of the organization itself. The EU's member countries also provided generous amounts of support on their own, with Germany giving some 7 billion Deutsche marks (\$4.5 billion) during a recent period.

A full-fledged accord between the two organizations is anticipated. At an early September meeting in Berlin, ministerial-level delegations from the EU and from SADC set up a high-ranking work group. Its job: to formulate individual, detailed proposals on a new relationship. Its first meeting is to be held in Malawi in January.

ROAD, RAIL AND INFO SUPERHIGHWAYS

The EU's fourth "framework" allocates 25 billion Deutsche marks to R&D in the EU in 1995-1998.

A possible "topping up" of 1.4 billion DM is to be decided on by the European Council and the European Parliament in 1996. Of this funding, 27.5 percent will be devoted to ICT (information and communication technologies) and specifically to proposed "information highways."

One key result of these and past allocations and of Germany's involvement in

pan-European research projects is the transformation of Bonn into a major European research center through the founding of CAESAR (Center of Advanced European Studies and Research) in the city. These institutes will concentrate on setting up interfaces among physics, chemistry and biology.

Six-year timetable

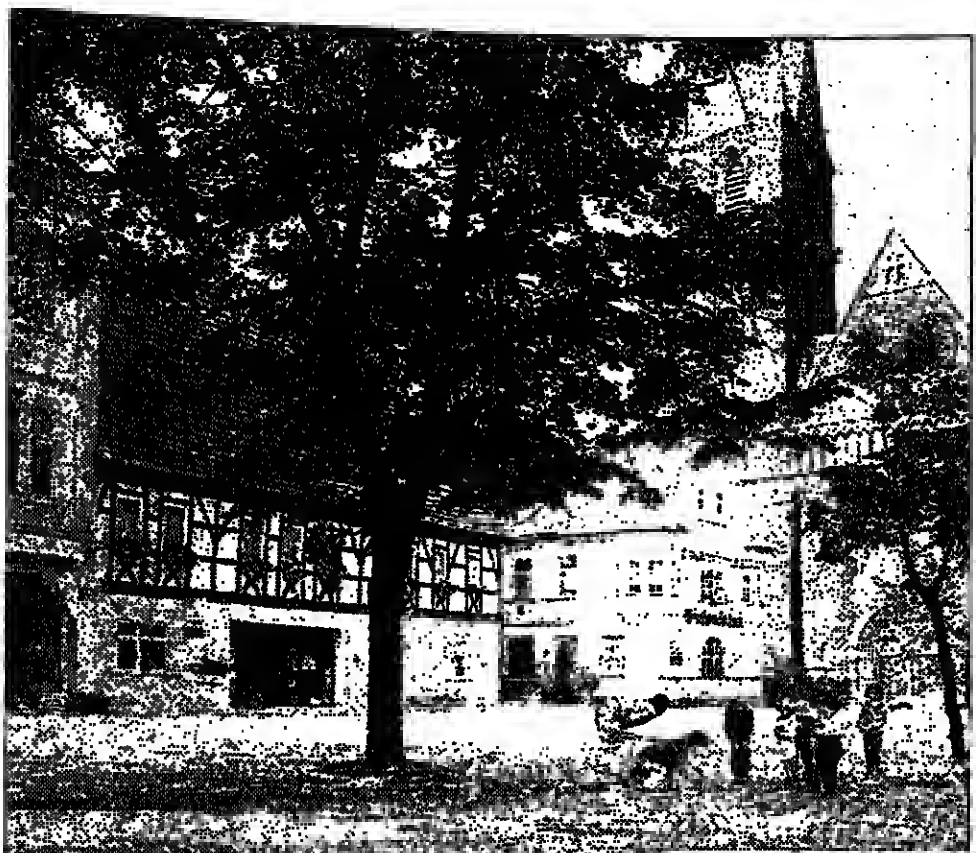
The European Union current-

ly has 58,000 kilometers of roads, 23,000 kilometers of high-speed rail track, 12,000 kilometers of navigable waterways, 250 airports and some 400 billion Ecu budgeted for the upgrading of a large portion of each of these transport infrastructures, as well as those of the new member countries and of adjoining regions. This figure is to be spent within the next 15 years. The EU

has deemed 220 billion Ecu worth of projects as "urgent" and set a six-year timetable for their completion. Eleven projects have been set for immediate realization, including five express rail lines.

Thanks to these expenditures, travel times on such important routes as London-Paris-Cologne and Frankfurt-Milan will be trimmed up to 50 percent by 1997.

G E R M A N Y



Bitterfeld, where a wide-scale cleanup has dramatically improved air and water quality.

NEIGHBORS SHARE COMMON CAUSES

Business parks, trade centers and aspirations.

If you have heard of Vaals, Forbach, Vogelsheim or Slubice, you are either a person with an encyclopedic knowledge of European geography or a resident of Aachen, Saarbrücken, Freiburg or Frankfurt am der Oder, respectively. As a resident, you have not only heard of these cities, but you also probably shop, work or even live in one of them.

"Transnational areas" are those whose "non-local" transactions exceed local transactions. Thanks to the growing volumes of two-way traffic across their borders, these four pairs of towns are now transnational.

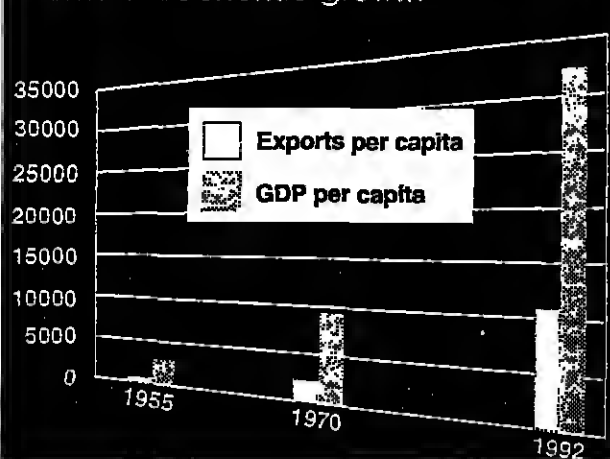
For the first three pairs, the fact that residents are free to live, shop and work

on the other side of the border is a product of the European Union.

For Frankfurt am der Oder, the East German state of Brandenburg and Slubice (Poland), the free flow of people, goods and services is a direct result of the end of the Cold War.

The fact that there are so many jobs to work at and so many goods to exchange is the result of the formation of areas like Saar-Lor-Lux, a Euroregion in which states and provinces from four nations work together on everything from harmonizing corporate accounting methods and environmental regulations to promoting the teaching of each others' languages to technical staff.

A cause of overall growth in prosperity: German economic growth



For sheer imagination and extent of endeavor, Brandenburg and Poland may be the leaders of the pack. For their border region, the two countries have created an international park in the Oder wetlands and embarked upon the building of a European University, a World Trade Center and a business development center, in addition to setting up a wide range of exchanges of technical staff, students, teachers and folklore groups.

FORMER MILITARY FACILITIES: NEW USES, USERS AND MONEY

Conversion means turning problems and potential into plowshares and pluses.

The military presence in Germany is shrinking. Since 1990 and the end of the Cold War, all 340,000 Soviet and some 272,600 Allied soldiers have departed from Germany, leaving behind 132,300 Allies, of which a bit more than half are Americans. Some 10,000 members of East Germany's National Volksgarde, once 170,000 strong, were integrated into West Germany's Bundeswehr, which once totaled some 495,000; the new combined force now comprises only 370,000 troops.

Also left behind were a number of sites, about 5,600 square kilometers of which are in the new states. The "conversion" sites include a wide range of facilities: resorts on Bavaria's Chiemsee lake; choice inner-city apartment complexes and villas in Munich, Frankfurt and Dresden; remote weapons-producing factories in Brandenburg; huge maneuver areas in Saxony; and complete, well-equipped airports, hospitals and telecommunications facilities.

"Many of these well-equipped facilities lacked only three things," says Walter Strutz, head of the conversion department at the Rhineland-Palatinate's ministry for economic affairs: "A new use, a new user, and the money to find both."

Military had been major employer
For a wide range of communities in Western Germany, including Kaiserlautern and Birkenfeld in the Rhineland-Palatinate and Lehr in Baden-Württemberg, the departure of the soldiers posed a special headache. Their non-German military communities

had been a major employer. For communities in Eastern Germany, already stretched and straitened by their own redevelopment processes, conversion was just one more item to add to a long list of challenges.

Since 1990, quite a few of these headaches and challenges have been converted into productive assets. Often transformed along with them have been the agencies, companies, communities and finance houses charged with carrying out the conversion process.

Germany's federal government has successfully entered the real estate business on a large scale.

According to Jürgen Echtenach, former secretary of state at Bonn's Ministry of Finance, the federal government has realized some 3.68 billion Deutsche marks (\$2.4 billion) from the sale of 4,800 sites. Takers have been largely state and local governments, nearly all of which have received their new properties at "cut-rate" prices.

An even lower price — free of charge — was levied for the 162,300 hectares of property in Germany's new states returned to their pre-Communist-regime owners.

Some 122,000 apartments and living units have been transferred to local communities, allowing them to partially convert housing shortages into housing adequacies and to tap a new source of rental and sales income.

New local parks are one benefit
Not all conversion benefits can be expressed in marks and pennings. Areas just west of Berlin and in Eastern Germany's share of

RECOVERY AND DISCOVERY

Engineers are rebuilding business bases and restoring the environmental balance.

There is nothing irreversible or inexorable about industrial pollution or blight. The truth of this heartening maxim has been amply demonstrated in Germany's Ruhr district. It is being shown once more in the Bitterfeld-Wolfen district in eastern Germany and in other once-blighted areas of Germany's new states.

One of the world's major redevelopment efforts is now entering its final phase. The Emscher district — home to 2 million people and part of the Ruhr agglomeration — was once a "wasteland of derelict industrial facilities, discarded equipment, despoiled landscape, all traversed by open ditches transporting sewage," reports Merian magazine.

Today, some 350 kilometers

of waterways are being restored to their preindustrial state. The Emscher district has added on 320 square kilometers of future parks — all former industrial sites. Old industrial structures, train stations and coal-mining facilities have been turned into technology centers, offices and commercial parks. Residential neighborhoods have been refurbished, and new malls and commercial centers have been built in the Emscher district's 17 center cities.

The state-owned IBA (Internationale Bauausstellung) Emscher Park, which started its work in 1988, has been instrumental in these efforts. To date, the IBA's work has cost 2.5 billion Deutsche marks (\$1.6 billion), one-third of which has been in the form of private-sector investment. A significant portion of the rest has been provided by the EU's various regional restructuring funds.

Greening of the region
The progress in Emscher is only one part of the greening of the Ruhr district, home to 5.4 million people and Europe's largest industrial metropolis. Today, 62 percent of the Ruhr is green, wet or fertile. The region's namesake, the Ruhr river, is a venue for swimming, sailing and sightseeing. Its water quality is one of the highest among Europe's rivers.

Four years ago, Bitterfeld (located in southeastern Sax-

ony Anhalt) was being routinely and inaccurately labeled "the most polluted place in the world." There were (and are), unfortunately, hundreds of other places involuntarily vying for this dubious distinction. Of equal concern to local inhabitants was the source of this pollution, the local chemical industry, which was also the region's largest employer. Financially and ecologically, Bitterfeld seemed to have no future.

Four years after unification, Bitterfeld has 180 new companies that have invested more than 2 billion DM in state-of-the-art production facilities and created 6,000 jobs. The largest investor is Bayer AG, with 600 million DM in investments and several large-scale production facilities.

A wide-scale cleanup of residual pollution and a redevelopment and retraining of much of the region's ex-panses have made such investment possible. Half of this 500 square kilometer region is now farmland, and a third has been incorporated into nature preserve schemes.

Bitterfeld's air quality has improved radically, with emission levels at 8 percent of pre-1990 levels, according to local authorities. Four high-pressure biological reactors capable of purifying 77 million liters of sewage a day have resulted in cleaner streams and lakes.



Toward a common European currency.

FOUR-SQUARE FINANCIAL SECTOR

New technologies help get new investors and markets.

Germany's financial sector has always commanded respect for its size and solvency, but not for its sophistication. In particular, the country's private investors are always being praised for their high rates of savings and criticized for their low willingness to innovate and diversify.

Until a few years ago, Germany's non-real-estate private wealth, which now amounts to 4 trillion Deutsche marks (\$2.5 trillion), was invested mainly in life insurance, annuities and, most notably, savings accounts.

Germany's banks were mainly occupied with administering this wealth and in making well-secured loans to the country's public-sector authorities and blue-chip companies.

'Closed shops' opens
The country's eight stocks and securities exchanges seemed to be "sideways and closed shops," as an article appearing in an American financial journal in the late 1980s caustically put it, adding: "The country's futures markets are in London and its mutual funds are run out of Luxembourg."

Much has changed since then. Germany's total stock and securities turnover more than tripled over the past six years. Accounting for 74 percent of that by itself, the Frankfurt Stock Exchange has consolidated its position as one of the world's five largest.

Founded in 1990, the Deutsche Terminbörse, the country's futures exchange, has more than kept pace with its "elder sibling." The total number of futures contracts processed on the DTB rose from 3.77 million in 1991 to 16.14 million in 1993.

On January 1, 1995, the

Bundesaufsichtsamt für den Wertpapierhandel will start operations. One primary responsibility of this "German SEC" will be enforcing the country's recently enacted, tough-minded insider-trading law.

This growth in and maturing of Germany's financial sector has been "facilitated by recently instituted electronic linkages and a growing eclecticism on the part of private investors," points out Werner Schmidt, chairman of the board at Stuttgart's Südwestdeutsche Landesbank.

Instituted in 1991, IBIS (Integriertes Börsenhandels- und Informations-System, or Integrated Stock Exchange Trading and Information System), BOSS (Börsen-Order-Service System) and their ilk have progressively "linked all parts of Germany into a huge electronic trading and order-processing floor," says Mr. Schmidt. They have greatly improved access to information and to financial products.

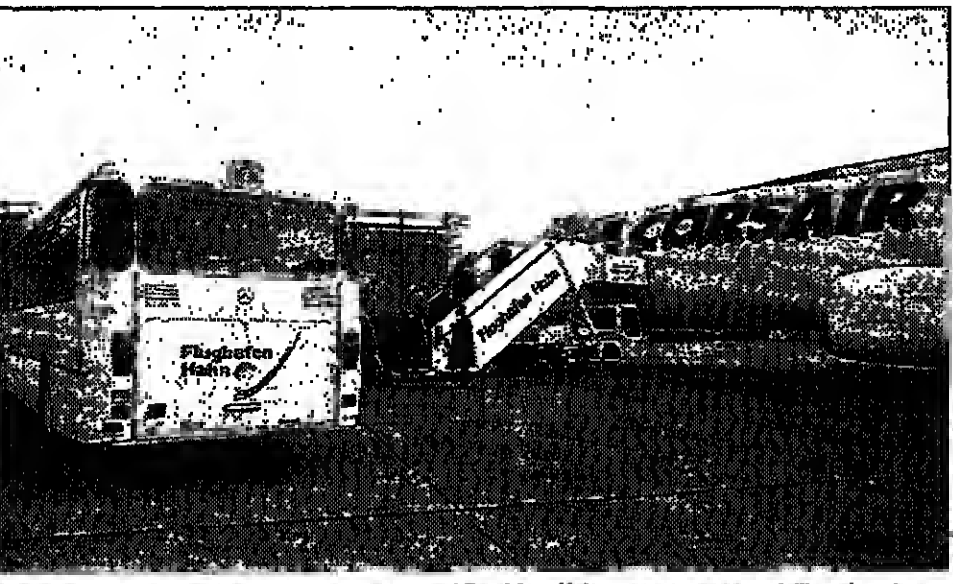
Investors take advantage
Investors, both institutional and private, have rushed to take advantage of the single European market's new openness. Over the last five years, some 360 billion DM has been invested in the 1,500 mutual funds now being offered in Germany. There are now some 15.3 million private holdings of shares in Germany, twice the 1983 figure.

Many of these enterprising private investors are placing their orders via the German financial sector's latest wrinkle: "virtual brokers," discount houses operating only via telecommunication and on-line links. The country's first virtual stock exchange is expected to go on-line in Leipzig next year.

GERMANY AND THE U.S.

After nearly five decades of close relations, it is not surprising that there are so many organizational linkages between the two nations. In the business arena, there is the German-American Chamber of Commerce with seven offices in the United States. Its counterpart, the American Chamber of Commerce in Germany, has its main office in Frankfurt and six other offices in the country.

Scholarship funds the work of German students in the U.S., as well as that of the Fulbright Program. For younger scholars, there are eight high-school-level German-U.S. exchange programs, led by the venerable AFS (American Field Service). Fourteen organizations promote social, personal and intellectual ties between the two countries.



Once a major U.S. air base 100 kilometers west of Frankfurt, Hahn now serves as a civilian airport.

the Harz mountains have been converted into local and national parks respectively, much to the delight of residents and tourists.

One of the most striking aspects of conversion has taken place on the individual corporate level. A wide range of local and international "defense industry" companies have profitably converted themselves into munitions and weapons recyclers.

Recycling munitions
Buck-Werke GmbH, for example, used to produce mainly fog grenades and infrared targets for Western Germany's military. Buck-Werke is now also the proud proprietor of a fertilizer-producing facility in Pinnow, Brandenburg.

The facility's raw material is Soviet Army rocket fuel. In a nice twist, the Bucks have taken the profits earned from recycling munitions and have invested them in the re-

equipping of their new facility, which now also manufactures prefabricated living units for soldiers relocated from Eastern Germany to Russia.

"The first step to solving the conversion problem at a particular site is converting its potential assets into practical ones," says Mr. Strutz, who is also a member of the supervisory board at Hahn. Once a major U.S. air base 100 kilometers west of Frankfurt, Hahn now serves as a civilian airport. It is used by a diverse array of charter operators flying vacationers to the Mediterranean, and by express freight services sending documents around the world.

In a conversion first, a public-private partnership is now busy developing Hahn into a multiplex featuring six different categories of structures and users. These are to range from air-transport companies to institutions of further education.

IN DEFENSE OF EUROPE

Eurocorps, the European Union organization charged with creating a European-level defense and humanitarian aid capability, has not been receiving the attention it deserves.

That is surprising, since Eurocorps "provides Europe's countries with a way of co-gently, coherently responding to the ever-recurring cycle of conflict and crisis in many parts of the world," says Volker Rühe, Germany's minister of defense. "This idea, while not being accorded the blaze of publicity received by other EU organizations, has been garnering something much more important and lasting: a wide measure of practical support," he adds.

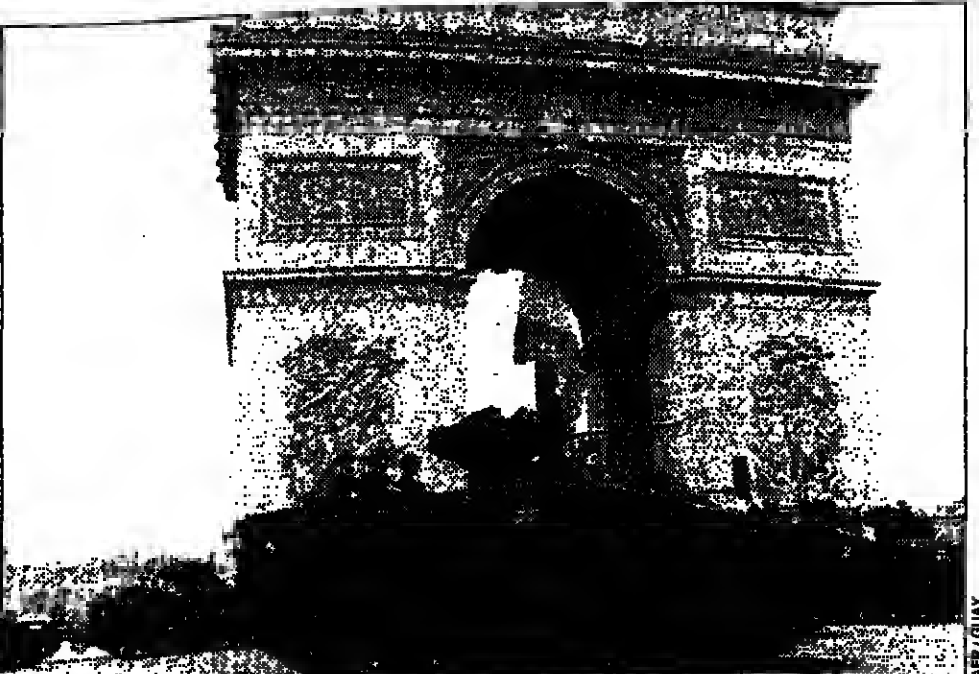
Having perceived the need for and capacity of Eurocorps, Belgium, Luxembourg and Spain have also joined the program.

"Role models of organizations capable of meshing and furthering national interests and international imperatives are highly useful in today's Europe," adds Mr. Rühe. "Eurocorps has accomplished this meshing."

Eurocorps began as a letter jointly written by German Chancellor Helmut Kohl and French President François Mitterrand on October 14, 1991 to the chairman of the European Parliament. The letter announced the two countries' intention of intensifying their working relationships in the area of collective security by developing a common military corps, which other EU member countries would be welcome to join.

On July 1, 1992, Eurocorps' planning command began its work. In October 1993, General Helmut Willmann became its first commander. The development phase of Eurocorps will be concluded in October 1995, at which time it will have 50,000 soldiers.

"Although still in its early stages, Eurocorps has already fulfilled one important part of its mission," Mr. Rühe says. "It has shown that the resilient and flexible working arrangements among NATO, EU and other European defense organizations are capable of extension and expansion."



The German contingent of Eurocorps was part of the traditional Bastille Day review in Paris this year.

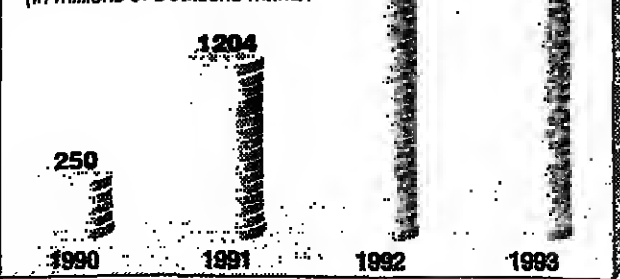
Close Ties to the East

There are now eight "Euroregions" in Germany's eastern states and its neighbors.

- Pomerania: the German state of Mecklenburg-Western Pomerania and northwestern Poland.
- Spree-Neisse-Rodr: the German state of Brandenburg and western Poland.
- Middle Oder/Viadina: the German state of Brandenburg and western Poland.
- Elbe/Labe: the German state of Saxony and the northwestern Czech Republic.
- Egerland: the German state of Saxony and the western Czech Republic.
- Bayerischer Wald/Bohemian Forest: The German state of Bavaria, parts of the western Czech Republic and northwestern Austria.

German investments in Poland, Hungary, Slovakia and the Czech Republic

(in millions of Deutsche marks)



G E R M A N Y



The internationalizing of the business community in Germany has facilitated the acceptance of the international baccalaureate.

EDUCATIONAL SYSTEM CONSIDERED AMONG BEST

Germany's education system is evolving to prepare students for new technologies and rapidly changing markets.

An ever-increasing tide of politicians, businesspeople and educators to a number of other countries have been coming to Germany to learn how its educational system produces such highly qualified people. At the same time, Germany's system has thoroughly remodeled itself based on what it has learned from other countries.

Two things have not changed: The unparalleled amount of resources Germany commits to training and maintaining its human capital, and the high standards of education and qualifications resulting from this commitment.

According to the federal ministry of education, Germany spent some 300 billion Deutsche marks (\$191.9 billion) on all forms of education in 1993. One-third of that, or 100 billion DM, went for vocational training and further occupational education, an increase of 20 percent over 1992.

A world-best 78 percent of all adults in Germany have earned occupational or professional certificates or post-secondary degrees, according to the latest installment of the study conducted annually by a German federal-state commission.

Upgrading skills

These qualifications are continually being upgraded: Some 1.87 million working Germans attended nearly 100,000 skills-upgrading courses in 1993. Fully 95 percent of the country's companies regularly provide their work forces with further occupational training.

Powered by annual double-digit increases in the number of non-Ger-

man companies based or represented in the country, there has been a proliferation in the number of international schools, with the newest ones recently set up in Leipzig and Potsdam. This internationalizing of the country's business community has helped cause the increasing acceptance of the international baccalaureate, or international high-school diploma, which is now recognized by local authorities as a full-fledged equivalent to Germany's vaunted Abitur.

Non-German students transferring to the country can attend a wide range of secondary schools offering the IB. This "passport to international studies" is also being offered by German schools to their internationally minded students.

This internationalization is not confined to the high school level. The University of Saarbrücken's Europe Institute offers post-graduate master's degrees in "business administration Europe" and "economic Europe" in a program partially sponsored by the EU.

A further product of this internationalization is "the growing awareness of the virtues of the brevity and practical-mindedness of the Anglo-Saxon professional education system, and an ever-greater number of institutions in Germany adapting them," says Horst Harnischfeger, general secretary of Munich's Goethe Institute.

Germany now has 31 Berufshochschulen, university-level schools providing students with a full-scale, "hands-on" professional education within the relatively short time of six to eight semesters, according to the

German federal ministry of education. It also has 62 private universities, attended by 35,000 students, including the European Business School Schloss Reichartshausen, Private University Witten/Herdecke, the recently founded Hochschule für Bankwirtschaft (school of banking) in Frankfurt. These universities and university-level institutes are highly respected for the fast pace and excellence of their education. As of 1993, Germany had a total of 315 universities attended by 1.8 million students.

Academic spillover

"Perhaps the most important change has been in Germany's universities, and specifically their relationship to exploiting the fruits of their learning and research," says Mr. Harnischfeger, adding: "In this regard, America, and specifically Boston/Cambridge, has been the standard model of how an academic community's results can 'spill over' into the business community. In Germany, the 'spill' has become a carefully cultivated flow, with innovation and enterprise circulating through the entire university community and beyond."

Münster, Frankfurt, Bremen and Germany's other university towns feature a wellspring of innovation (the university and associated and independent research centers) creating and feeding spin-off companies with a never-ending flow of new technologies and new products.

The number of individual links in this flow is considerable. In Karlsruhe, for instance, there are seven universities, five major research in-

stitutes, seven technology-transfer agencies, a "technology factory" that has launched 70 high-tech students on their business careers and Europe's highest percentage of researchers and developers per thousand people employed.

Qualified to handle change

At the center of Germany's educational remodeling has been the ongoing transformation of the country's vaunted dual vocational education system.

The goal remains the same, but there is a new corollary: "Two inter-linked parts and a single objective: to produce a work force not only highly qualified, but highly qualified to handle change," as Mr. Harnischfeger describes it.

To achieve that aim, all of the "C" (CNC, CIM and CAD/CAM) technologies have become the standard fare of the classroom component of the dual education system. In its other half, the factory floor (or office area), vocational trainees are starting their occupational careers operating in job groups and working under "lean," "just-in-time" and all the other modern conditions.

Paralleling the interest in Germany's educational system is widespread interest in the German language, which is now the language of choice for doing business in many parts of central and eastern Europe. The teaching of German is itself becoming more international. One example of this is the language-teaching trade show Expolangues, to be held in Paris Jan. 27-Feb. 1, 1995; the theme of this year's show is Germany.

EUROPE'S THIRD-RANKING VENUE FOR FOREIGN TOURISTS

Why do they come to Germany? For the congresses, the waters and the culture.

It is said that Germans travel more than any other national group, but that Germany is not widely traveled. This is not quite true. On a per capita basis, the Swiss, the Austrians and the Swedes travel abroad more often than the Germans and spend more money while doing so. In absolute terms, the Americans are the world's leading travelers. But the 60 million "foreign" trips taken by Germans in 1993 add the 62 billion Deutsche marks (\$40 billion) they spent on the road are figures worthy of attention. And Germany itself is becoming a more and more popular tourist destination.



Each German spa has a specialty, but all aim to revitalize.

Some 24 million non-Germans visited Germany in 1993, placing it a respectable third in Europe, with Munich ranking among Europe's top five destinations. A goodly portion of these visitors came in tour groups making the Old Heidelberg, Munich/Hofbräuhaus and Lorelei circuit. Many of the visitors, however, were "high-end" travelers coming to Germany for reasons of health, education, culture or business.

With 6 million foreign business travelers a year, Germany leads Europe in this category. Of these visitors, some 1.5 million businesspeople came to Germany to attend the country's 103 international trade fairs, and nearly 1 million came to its 186,000 congresses, reports Joachim Scholz, international travel expert at Deutsche Zentrale für Tourismus e.V., the national travel industry monitoring organization. A high percentage stayed on after their particular event had been

completed for a bit of shopping, sightseeing or just plain sojourning.

Big spenders

These high-end tourists spent some 235 DM a day per person, about twice as much as "normal" travelers in Germany — and three times as much as the West European average.

In 1993, some 24,000 people came to study German and German culture at one of the domestic-based Goethe Institutes, which are located around the world. Perhaps six times as many went to other language institutes, such as those that are part of the country's 91 universities, already attended by 105,000 foreign students.

Germany's 270 spas are places to get well, even though visitors may not ex-

actly be ill. Each of them specializes in rehabilitating a specific organ or ailment, all of them in revamping maltreated constitutions. Last year, 9.5 million people checked into Germany's spas, spending 120 million days there. Of those people, some 241,000 were well-behaved, high-profile foreigners whose average expenditure was "well over 200 DM a day" according to the estimate of a spokesperson for Germany's spa association.

While at Bad Wörishofen, Bad Homburg or Bad Bergzabern, foreigners are introduced into the pleasantly contradictory regimen prevailing in the German spa. After a day of rigidly organized treatments and diets, many patients head out for an evening of dancing and merriment.

THE ART OF INTEGRATION

The State Philharmonic of the Rhineland-Palatinate: variations on a theme.

Year after year, the German public sector supports its artistic community with unexcelled generosity. In 1993, according to Germany's Federal Office of Statistics, its support came to some 16 billion Deutsche marks (\$10.2 billion), or 190 Deutsche marks per capita, four times as much as two decades ago. Among the recipients of this largesse were the country's 150 symphony orchestras.

With 96 members, the State Philharmonic of the Rhineland-Palatinate is not as large as Leipzig's Gewandhausorchester, which has a 159-member ensemble. It is certified as an "A" orchestra (accorded to the nation's major league groupings), which gives it the ranking, if not quite the international reputation, of the Berlin Philharmonic.

Based in Ludwigshafen, the State Philharmonic makes the rounds of its native Rhineland-Palatinate, playing to packed houses in Speyer, Worms and Kaiserslautern.

It is also in strong demand as a touring orchestra, hav-



More than one-third of the members are foreigners.

ing made recent visits to Sweden, Spain and many points in between. The orchestra is known for being well-rooted in its community, well-respected among its peers, and heterogeneous. The orchestra comprises 61 Germans and 35 non-Germans. The latter are from 13 countries, ranging from Argentina and Norway to Japan and America.

The Rhineland-Palatinate

is one of Europe's great winegrowing regions, so it is no surprise that a very high percentage of the orchestra's members are wine connoisseurs and even purveyors of Rieslings, Silvaners and Mueller-Thurgaus.

"I think two ties binding the members of the orchestra," says Eric Trümpler, cellist, "are a perpetual lack of time and a strong appreciation of the local wines."

TELECOMMUNICATIONS SECTOR FILLED WITH NEW PLAYERS

German consumers are enthusiastic about mobile telephones.

Germany's telecommunications sector used to be easy to follow. The sector had one telecom company — Deutsche Telekom — and one major kind of service: standard, point to point, with everything solid and nothing spectacular. Deutsche Telekom also offered a variety of other services, including the "C" mobile network.

With the unification of Germany and the spillover of the world's mobile telephone boom into the country, everything grew more complicated.

Keeping track of Germany's new states has involved monitoring two key numbers: total connections installed in the region — now just over 5 million — and years left before the new states' telephone services will be at West German levels — now predicted to be two years in the future.

Keeping track of Germany's mobile telephone scene has involved following a neck-and-neck race. The starting gun went off in July 1992.

The competitors are the D1 network, owned by Deutsche Telekom subsidiary DeTeMobil, and D2, belonging to Mannesmann Mobilfunk GmbH. The lead has passed back and forth, but the winner is already known: mobile telephony.

As of October 1993, there were 2.3 million mobile telephone customers in Germany, with a further 2 million forecast to join up over the next two years.

The E mobile telephone network went into service in mid-May 1994, initially in Berlin. E-Plus Mobilfunk GmbH, to give its full name, is owned by a Veba and Thyssen-led consortium.

In another development, GFD (Gesellschaft für Datenfunk), a consortium made up of blue-chip industrial companies, banks and utilities, was awarded a license to set up a nationwide data communications network. This is expected to be upgraded to a standard telecommunications network in 1998, when the EU's liberalization of the telecom market is set to go into effect.

whose communications systems will be managed by the new company, Euneicom has signed up IBM, Dun & Bradstreet and other major customers. The two national telecoms companies have also entered into a partnership with America's Sprint.

Such competing telecom operators as BT and AT&T have been entering Deutsche Telekom's home market and have secured a number of important corporate customers. More bothersome for Deutsche Telekom, however, has been the proliferation in Germany of call-back services based in the United States.

Prepare for privatization

To handle these and other challenges, Deutsche Telekom is preparing itself for privatization. In what presumably will be the largest such transaction of all time, Deutsche Telekom will be constituted as a joint stock company and listed on world exchanges in 1996. Estimated worth of the company's first tranche of stock is 15 billion to 18 billion DM.

All told, Germany's market for telecommunications equipment and services is forecast to total 78.2 billion DM in 1994, up 3 billion DM over 1993. As a product of the boom, domestic producers are recording all-time records in terms of units sold. Thanks to a steep decline in unit prices, however, the producers are facing a 9 percent drop in total revenues. One bright spot is exports. Germany's telecom producers are forecast to record a 10 percent growth in sales abroad in 1994.



THE CRAFTING OF CONSENSUS

Continued from page 11

formulated. Germany's steadfast support of the ideal of European union has not wavered since 1951, when the country joined the European Coal and Steel Community, the forerunner of today's EU.

Partisan support

One sign of this consensus was the virtual unanimity of opinion about the EU among Germany's parties during the recently concluded federal election. Main challenger Rudolf Scharping took every opportunity to explain that, whatever the outcome of the election, there would be absolutely no change in Germany's support of the EU and the process of European unification.

As Mr. Kinkel points out, this consensus-building involves more than the various national governments.

"The idea behind the setting up of the Union was to create a Europe that works, and works efficiently at all levels — local and regional, national and Europe-wide — not to create some form of a super-state."

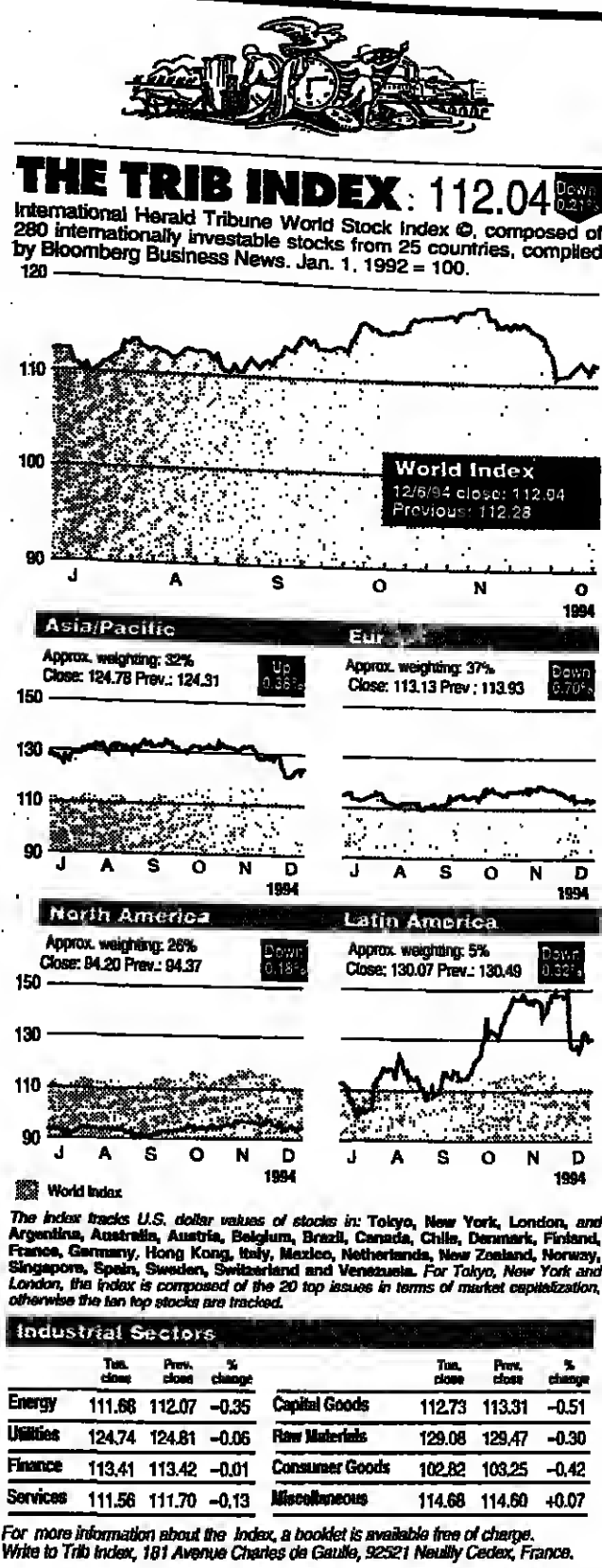
A Europe that works

The term that describes this approach is "subsidiarity," and it means letting each level handle matters affecting it directly.

He adds: "The unification of Germany provides a good example of subsidiarity in action."

The ongoing transformation of the new states has largely been handled at the state and local level.

As it has done for quite some time in the Ruhr district, the EU has helped equip the new states and their communities with the requisite funds and expertise, budgeting 27.5 billion DM for the period 1994-99."



Iberia Set to Cut Costs as Talks Fail

Compiled by Our Staff From Dispatches

MADRID — Iberia Air Lines of Spain said it planned to begin laying off 5,200 workers and selling assets after talks with pilots collapsed over a cost-cutting plan designed to secure a \$1 billion bailout for the airline.

Javier Salas, the chairman, said talks on a plan to keep the carrier viable broke down Monday over demands for a 15 percent pay cut. He said the measures would eliminate the need for the debt-ridden company to seek a hefty capital bailout from the government.

Monday's talks were the second round between management and the pilots' union to discuss plans already accepted by Iberia's other main unions.

Last week, Iberia workers accepted an average 8.5 percent pay cut and 3,500 job cuts, a plan that needed the pilots' acceptance to be implemented.

Agreement by all unions on the restructuring plan was crucial to obtaining European Union approval for a proposed \$1 billion government bailout.

Iberia expects to post a \$350 million loss for 1994.

Pilots on Tuesday reiterated they would only be prepared to take the 15 percent cut in exchange for a "serious" viability plan. The union described the company's current proposals as "piecemeal" measures.

The union called for the company's board to resign, accusing it of gross mismanagement.

But the minister of industry, Juan Manuel Eguiguren, said: "Iberia won't disappear. What is clear is that the future of Iberia will be much more uncertain and difficult. We are going to lose potential, strategic potential, economic potential, all kinds of potential."

(Bloomberg, AP, Reuters)

Magellan Skips Payout Fidelity Cites Big Accounting Error

By Leslie Eaton
New York Times Service

NEW YORK — A billion here, a billion there, and pretty soon even Fidelity Investments is talking about real money — money that it will not distribute to investors in its \$36 billion Magellan Fund.

The Boston-based mutual fund company announced late Monday that Magellan, the largest U.S. mutual fund, would not make a year-end distribution of taxable income to its 3 million shareholders, and it blamed an accounting error.

Just last month, the company told investors who had asked that they should expect to get about \$4.32 a share, one cent less than they received last December.

Industry experts expressed bewilderment at the size of the error but suggested that aside from a simple miscalculation, its problem could have resulted from mistakes in recording the historical cost of certain investments or the nature of some income the fund received from its investments.

Fidelity said the error did not affect the value of investors' shares. The money that would have been distributed simply remains in the fund, and the share price is unchanged.

Although the value of Magellan has fallen 2.3 percent since the end of September, Fidelity said the problem was not caused by big last-minute losses or changes in the fund's portfolio.

"It really was an error in the calculation of the estimate," said Jane Jamieson, a spokeswoman, who declined to provide further details. She said the problem did not affect other Fidelity funds.

Normally, mutual funds distribute their profits only when required for tax reasons. By law, mutual funds that sell their investments at a profit must pass along realized capital gains, net of any losses, to shareholders every year. Shareholders then pay the taxes on those gains, as well as on dividend income.

This is the second major accounting problem at Fidelity this year. On June 18, the company gave out incorrect prices for its funds when its computer systems broke down.

The company would not confirm the size of the new mistake in calculating the distribution, but the fund has more than 500 million shares outstanding, which means a discrepancy of more than \$2 billion.

Most investors avoid buying shares at the end of the year because they do not want to face taxes on gains that came before they bought into the fund. For that reason, as well as to help investors get an idea of their prospective tax liabilities, fund companies such as Fidelity often estimate the size and timing of a distribution in advance.

Such estimates are often off by a few cents but rarely by such a large amount, said A. Michael Lipper, president of Lipper Analytical Services, which has tracked mutual funds for decades.

Russia's Plan Fails to Win Aid From IMF

By Fred Hiatt
Washington Post Service

MOSCOW — Russia's proposed economic plan for 1995, already dismissed by its Parliament as too austere, is not tough enough to put the country on a road to recovery or to qualify for Western aid, an official of the International Monetary Fund said Tuesday.

Stanley Fischer, first deputy managing director of the Fund, cast doubt on Russia's chances of qualifying for as much as \$12 billion in IMF loans that Moscow is counting on to get through next year.

"The arithmetic doesn't add up to a program that would work at a low inflation rate," Mr. Fischer said after meeting with government officials here. "Some additional cuts or additional revenue are needed."

The prospects for Russian reform next year are particularly vital because Parliamentary elections are set for December 1995 and presidential elections for six months later. If people by then see few benefits from reform, they are more likely to vote for authoritarian and ultranationalist candidates, many analysts said.

In the face of resurgent inflation and a resulting plunge in the value of the ruble, both President Boris Yeltsin and Prime Minister Viktor S. Chernomyrdin again vowed to finally stabilize the economy by cutting spending and raising revenue.

The government claims its budget would bring the deficit down to 8 percent of the gross national product, the economy's total output for the year. But Mr. Fischer said Fund analysts believed it more likely to lead to a deficit of 10 percent — and that Russia should be shooting for at most 6 percent to 7 percent.

If Russia develops a better plan and provides concrete assurances that it will be followed, it could still qualify for a \$6 billion IMF assistance loan — which would be the largest in Fund history — and as much as \$6 billion for a ruble stabilization fund, Mr. Fischer said.

But he said the Western governments that finance the IMF would not be pressured into lending money if they were not persuaded Russia was serious about stabilization.

Japan's Recession Takes a Toll on Working Women

Agence France-Press

TOKYO — The number of working women in Japan declined in 1993 for the first time in 18 years, reflecting corporate streamlining in the business slump, the Labor Ministry said Tuesday.

The ministry said employed women last year totaled 26.1 million, down 0.3 percent from the previous year and the first drop since 1975.

The unemployment rate for women was 2.6 percent overall, but was much higher among young women.

The report also showed that working women still carried a heavier burden than men in family lives, even though nearly 40 percent of married women have jobs, compared with about 30 percent 10 years ago.

Among two-income couples, wives spend an average of 3 hours and 51 minutes a day on domestic chores and taking care of children, while husbands spend only 12 minutes, the report said.

About 40 percent of working women give up their jobs because of family responsibilities, such as taking care of children and sick relatives, it said.

A High-Karat Victory for GE

By Douglas Frantz
New York Times Service

NEW YORK — In a stunning victory for General Electric Co., a U.S. federal judge has thrown out a criminal case in which the company was accused of conspiring to fix the world price of industrial diamonds.

District Judge George C. Smith in Columbus, Ohio, took the unusual step Monday of finding GE not guilty of the lone charge against it after evidence had been presented only by the prosecution. He said there was not enough evidence to merit sending the case to the jury.

In a written opinion, the judge said the government had failed in five weeks of testimony to prove that GE had conspired with a representative of the De Beers diamond cartel of South Africa to fix the price of industrial diamonds, which are used in precision-cutting machinery and drilling bits.

GE's lawyer, Dan K. Webb, asked the judge to dismiss the charge at the end of the prosecution's case a week ago. The judge issued his ruling at the end of the court session Monday, while the defense was presenting its case.

The verdict was a personal vindication for John F. Welch Jr., the GE chairman and chief executive. Mr. Welch this year refused an offer of a plea bargain and vowed to fight the charges in court.

"I believed in our people," Mr. Welch said in a telephone interview from GE headquarters in Fairfield, Connecticut. "I believed all along that there was nothing there."

The verdict also represented a setback for Assistant Attorney General Anne K. Bingham, who has sought to revitalize the antitrust division of the Justice Department with high-profile cases. In a statement issued after the ruling, she said, "See DIAMOND, Page 16"

MEDIA MARKETS

Asian TV Growth Sets Dizzying Pace

By Richard Covington
Special to the Herald Tribune

HONG KONG — The wheel spins, the contestants call out their choices in the Indonesian Bahasa language, and another Asian version of an American television production is under way.

But on this "Wheel of Fortune," the wheel is not allowed to have any dollar signs.

"That would be gambling," said Tony Skinner, vice president of production for Grundy Worldwide, an Australian company. "And the Asian countries are very wary of appearing to promote gambling." Grundy adapts game shows for television audiences around the world.

Another wheel of fortune rolled into Hong Kong last week as several thousand Asian and Western buyers and television broadcasters converged on MIP Asia, an international TV market and conference.

As several U.S. companies unveiled major ventures in the region, local programming emerged as a key for Western producers.

The market for TV pro-

gramming in Asia is exploding. With 1 million cable subscribers, Shanghai has the highest percentage of cable penetration in the world. India, with a middle class as large as the entire U.S. population, doubled its number of TV channels this year to 40 last year.

Forty additional satellites with the potential for carrying hundreds of new channels will be launched over Asia in the next three years.

"The present light rain of channels will soon become a monsoon," said Nivat Boonsong, president of International Broadcasting Corporation Ltd. of Thailand.

The most successful channels will invariably be the ones devoted to home-grown programming. Even MTV Networks, the music channel

that reaches a quarter of a billion homes around the world, has seen the wisdom of tailoring its programs to local audiences. MTV India is already under way, and an MTV version in Mandarin and one subtitled in Korean are in the pipeline. MTV is a unit of Viacom Inc.

"The global village with everyone watching the same programs is never going to be a reality," said Tom Freston, chief executive of MTV Networks. "Local programming will drive the evolution of television — particularly in Asia."

A number of Western TV producers, including Capital Cities/ABC Inc. and Children's Television Workshop, are poised to launch joint ventures for TV production in Asia. News Corp.'s STAR-TV and NHK, the Japanese state broadcaster, are also active in Asian coproductions.

"The early players putting seed capital into East-West coproductions recognize that Asian viewers will soon grow tired of the novelty of unfamiliar Western programs," said Susan Schoenfeld, president of Advisors for Interna-

See TV, Page 19

Ad Sales: Rosy Picture

New York Times Service

NEW YORK — Two leading industry forecasters presented rosy predictions this week for growth in advertising spending.

At the opening session Monday of the 22d annual PaineWebber media conference, Robert J. Coen, senior vice president at McCann-Erickson USA Inc. in New York, and John Perriss, chairman at Zenith Media Worldwide in London, increased their projections for total advertising expenditures in the United States and overseas.

Mr. Coen said a better economic climate would boost demand for ads for a wide range of products.

Mr. Perriss said: "Everywhere in the world we see key indicators, with one or two exceptions, moving favorably to advertising. I have been very pleasantly surprised."

Spending declines on advertising in Japan have bottomed out, this year, he said, and spending next year in China, Denmark, Germany, Greece, Ireland and Singapore should remain strong. Mr. Perriss mentioned Central and Eastern Europe, Latin America and Southeast Asia as areas that looked especially promising over the next three years.

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CURRENCY & INTEREST RATES

Gross Rates									
	12/6	12/5	12/4	12/3	12/2	12/1	11/30	11/29	11/28
American	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
British	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66
French	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55
German	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Italian	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
Japanese	136.00	136.00	136.00	136.00	136.00	136.00	136.00	136.00	136.00
Swiss	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Spanish	166.64	166.64	166.64	166.64	166.64	166.64	166.64	166.64	166.64
Thai	50.76	50.76	50.76	50.76	50.76	50.76	50.76	50.76	50.76
U.S. dollar	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Yen	136.00	136.00	136.00	136.00	136.00	136.00	136.00	136.00	136.00
Forward Rates									
	30-day	60-day	90-day	120-day	150-day	180-day	210-day	240-day	360-day
United States	1.5027	1.5073	1.5103	1.5133	1.5163	1.5193	1.5223	1.5253	1.5283
Swiss franc	1.5087	1.5133	1.5163	1.5193	1.5223	1.5253	1.5283	1.5313	1.5343
Japanese yen	1.5137	1.5183	1.5213	1.5243	1.5273	1.5303	1.5333	1.5363	1.5393
Other Dollar Values									
Argentine peso	1.5187	1.5233	1.5263	1.5293	1.5323	1.5353	1.5383	1.5413	1.5443
Australian dollar	1.5237	1.5283	1.5313	1.5343	1.5373	1.5403	1.5433	1.5463	1.5493
Canadian dollar	1.5287	1.5333	1.5363	1.5393	1.5423	1.5453	1.5483	1.5513	1.5543
Chinese yuan	1.5337	1.5383	1.5413	1.5443	1.5473	1.5503	1.5533	1.5563	1.5593
Costa Rican colón	1.5387	1.5433	1.5463	1.5493	1.5523	1.5553	1.5583	1.5613	1.5643
Czech koruna	1.5437	1.5483	1.5513	1.5543	1.5573	1.5603	1.5633	1.5663	1.5693
Danish krone	1.5487	1.5533	1.5563	1.5593	1.5623	1.5653	1.5683	1.5713	1.5743
East German mark	1.5537	1.5583	1.5613	1.5643	1.5673	1.5703	1.5733	1.5763	1.5793
French franc	1.5587	1.5633	1.5663	1.5693	1.5723	1.5753	1.5783	1.5813	1.5843
West German mark	1.5637	1.5683	1.5713	1.5743	1.5773	1.5803	1.5833	1.5863	1.5893
Italian lira	1.5687	1.5733	1.5763	1.5793	1.5823	1.5853	1.5883	1.5913	1.5943
Japanese yen	1.5737	1.5783	1.5813	1.5843	1.5873	1.5903	1.5933	1.5963	1.5993
South Korean won	1.5787	1.5833	1.5863	1.5893	1.5923	1.5953	1.5983	1.6013	1.6043
Swiss franc	1.5837	1.5883	1.5913	1.5943	1.5973	1.6003	1.6033	1.6063	1.6093
Thai baht	1.5887	1.5933	1.5963	1.5993	1.6023	1.6053	1.6083	1.6113	1.6143
U.S. dollar	1.5937	1.5983	1.6013	1.6043	1.6073	1.6103	1.6133	1.6163	1.6193
Yen	1.5987	1.6033	1.6063	1.6093	1.6123	1.6153	1.6183	1.6213	1.6243
Key Money Rates									
	United States	Switzerland	Britain	France	Germany	Japan	Other Dollar Values	Other Dollar Values	Other Dollar Values
Discount rate	4 1/2%	4 1/2%	4 1/2%	4 1/2%	4 1/2%	4 1/2%	4 1/2%	4 1/2%	4 1/2%
Prime rate	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%
Preferred bank	4 3/4%	4 3/4%	4 3/4%	4 3/4%	4 3/4%	4 3/4%	4 3/4%	4 3/4%	4 3/4%
3-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
6-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
9-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
12-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
18-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
24-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
36-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
48-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
60-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
72-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
84-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
96-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
108-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
120-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
132-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
144-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
156-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
168-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
180-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
192-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
204-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
216-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
228-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
240-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
252-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
264-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
276-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
288-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
300-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
312-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
324-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
336-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
348-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
360-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
372-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
384-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
396-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
408-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
420-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
432-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
444-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
456-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
468-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
480-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
492-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
504-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
516-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
528-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
540-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
552-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
564-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
576-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
588-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
600-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
612-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
624-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
636-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
648-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
660-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
672-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
684-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
696-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
708-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
720-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
732-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
744-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
756-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
768-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
780-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
792-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
804-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
816-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
828-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
840-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
852-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
864-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%
876-month call	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5 1/4%	5			

MARKET DIARY

Stocks Close Mixed Despite Bond Rally

NEW YORK — Stocks struggled to close mixed Tuesday despite a buoyant bond market that brought interest rates to a seven-month low.

The Dow Jones industrial average opened firmer, then veered sharply lower and finally

recovered from a 25.57-point loss to close up 4.03 points at 3,745.95.

The drop was tempered by a surge in Boeing, which rose 1/4 to 47 1/2 as management's meetings with investors in New York last week buoyed optimism about the airplane industry.

Wall Street's erratic behavior was partly traced to lingering disappointment over news that investors in Fidelity's flagship Magellan Fund, the largest U.S. mutual fund, would not receive a dividend at the end of the year as expected.

Money flowed out of stock funds in the week ended Nov. 30 for the first time since April, according to AMG Data Services. Fidelity saw a net \$100 million removed from its stock funds in November.

But market analysts were

puzzled at the stock market's failure to react more favorably to a powerful bond rally. The benchmark 30-year Treasury bond surged 23/32 points to 95 30/32, cutting the yield down to 7.84 percent from 7.92 percent.

Early in the session, Wall Street got a psychological lift from an optimistic market forecast for 1995 by Merrill Lynch.

The ratio of losers to gainers was 13-to-9 on the Big Board and trading was unusually active as 298.9 million shares changed hands.

Drug stocks advanced after Smith Barney raised its rating on five major companies. Merck was unchanged at 37 1/2 after rising as high as 38 1/4, and SmithKline Beecham rose 1/4 to 33 1/4.

Technology shares gained for a second day amid expectations of growing demand for personal computers. Intel rose 1/4 to 37 1/4, Dell climbed 3/16 to 42 13/16, and Compaq posted a gain of 3/16 to 41 1/4.

Intelligent Electronics plummeted 3/4 to 9 1/4 amid reports that the computer retailer may have overcharged suppliers.

(AP, Bloomberg)

Dollar Little Changed As Markets Await Fed

NEW YORK — The dollar was little changed against other major currencies on Tuesday as the market awaited more clues on the direction of U.S. interest rates.

Traders were mostly on the sidelines before the Federal Reserve Board chairman, Alan

Greenspan, speaks to the Joint Economic Committee of Congress on Wednesday.

They said the market would look for clues in Mr. Greenspan's testimony to the possibility of an increase in U.S. interest rates when the Fed's policymakers meet Dec. 20.

The dollar closed at 1.5724 Deutsche marks, up from 1.5717 DM on Monday, and at 100.100 yen, down from 100.355 yen. It was also at 5.3995 French francs, up from 5.3950 francs, and at 1.3278 Swiss francs, up from 1.3255 francs.

The pound was at \$1.5623, up from \$1.5570.

Stock market gains and strength in the long-term Treasury bond also supported the dollar.

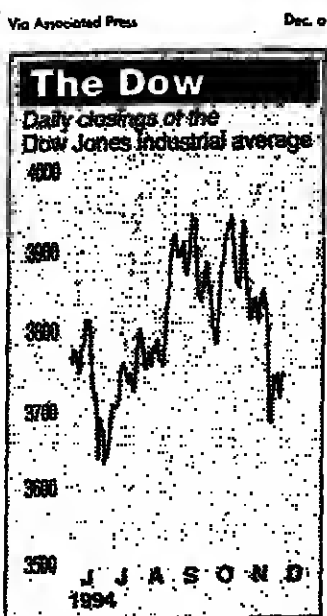
Traders said the market had factored in news that Treasury Secretary Lloyd Bentsen would resign as of Dec. 22 and be replaced by Robert Rubin, head of the National Economic Council.

Traders said the choice of Mr. Rubin was positive for the dollar. "Rubin is considered to be responsible, market-savvy," said David Durst, vice president at Bear Stearns.

Widespread speculation that the dollar's slump against major currencies had ended also supported the dollar, traders and analysts said.

"When the dollar falls, people buy it," said Guy Bouaziz, managing director of C-Wave Capital Management Corp., a currency-trading fund. "People are still looking for a higher dollar," said Andy Aeschbach, a vice president at Bank Julius Baer. "It looks like it's on the way up."

(Reuters, AP, Bloomberg)



NYSE Most Actives

Company	Vol.	High	Low	Last	Chg.
IBM	14,452	104 1/4	104 1/8	104 1/4	+1/8
Microsoft	10,234	54 3/4	54 1/2	54 3/4	+1/4
Apple	8,567	34 3/4	34 1/2	34 3/4	+1/4
Oracle	7,890	24 3/4	24 1/2	24 3/4	+1/4
Amazon.com	6,123	14 3/4	14 1/2	14 3/4	+1/4
Yahoo!	5,456	12 3/4	12 1/2	12 3/4	+1/4
Google	4,789	10 3/4	10 1/2	10 3/4	+1/4
Alibaba	3,210	8 3/4	8 1/2	8 3/4	+1/4
Twitter	2,345	6 3/4	6 1/2	6 3/4	+1/4
Facebook	1,678	4 3/4	4 1/2	4 3/4	+1/4

NASDAQ Most Actives

Company	Vol.	High	Low	Last	Chg.
Intel	12,345	34 3/4	34 1/2	34 3/4	+1/4
Microsoft	9,876	54 3/4	54 1/2	54 3/4	+1/4
Apple	7,654	34 3/4	34 1/2	34 3/4	+1/4
Oracle	6,543	24 3/4	24 1/2	24 3/4	+1/4
Amazon.com	5,432	14 3/4	14 1/2	14 3/4	+1/4
Yahoo!	4,321	12 3/4	12 1/2	12 3/4	+1/4
Google	3,210	10 3/4	10 1/2	10 3/4	+1/4
Alibaba	2,109	8 3/4	8 1/2	8 3/4	+1/4
Twitter	1,098	6 3/4	6 1/2	6 3/4	+1/4
Facebook	987	4 3/4	4 1/2	4 3/4	+1/4

AMEX Most Actives

Company	Vol.	High	Low	Last	Chg.
IBM	1,234	104 1/4	104 1/8	104 1/4	+1/8
Microsoft	987	54 3/4	54 1/2	54 3/4	+1/4
Apple	765	34 3/4	34 1/2	34 3/4	+1/4
Oracle	654	24 3/4	24 1/2	24 3/4	+1/4
Amazon.com	543	14 3/4	14 1/2	14 3/4	+1/4
Yahoo!	432	12 3/4	12 1/2	12 3/4	+1/4
Google	321	10 3/4	10 1/2	10 3/4	+1/4
Alibaba	210	8 3/4	8 1/2	8 3/4	+1/4
Twitter	109	6 3/4	6 1/2	6 3/4	+1/4
Facebook	98	4 3/4	4 1/2	4 3/4	+1/4

Market Sales

	Today Close	Prev. cons.
NYSE	298.90	298.63
Amex	15.48	21.49
Nasdaq	257.10	247.52

In millions,

Market Sales

Continued from Page 15

"We respect and accept that decision in this case."

In February, GE and one of

Market Sales

count of conspiring to fix diamond prices in 1991 and 1992. Also charged were De Beers Centenary AG, a Swiss affiliate of the South African diamond conglomerate, and Philips

Market Sales

nant Boart, a company that

Market Sales

Union Pacific	48 1/4	40 1/4
Wheat Corp	18 1/4	18 1/4
Wheat Flr	28	28
Wheat B	16 1/4	16 1/4
Wheat Comm B	17 1/4	10 1/4
Wheat BK Cda	29 1/4	29 1/4
Wheat Canada Inc	8	7 1/4
Wheat Cda A	43 1/4	44
Wheat Inc	15 1/4	15 1/4
Wheat A	7 1/4	7 1/4

Stocks	
AGA	
Asea AF	
Astra AF	
Astra Copco	
Electrolux B	
Ericsson	
Esselte-A	
Mondelz Prmks B	

Market Sales

Paris		
Scor	583	584
r Liquide	738	732
Hotel Alstham	454	458.70
na	264.20	267.20
incaine (Cic)	568	569
C	644	657
IP	272.50	270

Market Sales

NYSE	298.50	298.50
AMEX	98.75	97.00
NASDAQ	1241	1250
NYSE	243.50	246.20
AMEX	436	445
NASDAQ	386.40	387.40
NYSE	8.90	8.70
AMEX	514	513
NASDAQ	441	439.80
NYSE	540	542
AMEX	394.70	394.70

Market Sales

J.M.H.	855	857	Aspen
Julia-Hochette	121	118.30	AIM
Michelin B	199.90	203.10	Nat Aust Bank
ulimax	706	707	News Corp
ribos	387.50	388.80	N Broken Hill
chimey Int	160	162	Pac Dunlop
med-Ricard	323.90	318	Pioneer Int
upet	780	783	Nimrod Posidon
out Print	954	958	Publisch Brocraf
atechnique	500	510	QCT Resources
			Santos

Market Sales

Int Gobain	627	631
E.B.	535	535
Generale	618	617
az	270	272.10
Johnson-CSF	169	168
aj	328	331.90
A.P.	148	150.10
ico	266	270.60

C-49 Index : 1948.95
Previous : 1973.65

Al Ordinaries Ind
Previous : 1077.50

Tokyo

Akai Electr
Asahi Chemical
Asahi Glass
Bank of Tokyo

Market Sales

Sao Paulo		
Novo do Brasil	17.48	17.50
Masp	10.75	10.18
Adesco	7.30	7.14
Itma	289	293.50
Mig	88	88.50
Itrobras	297	297
Subsania	240	235.01
Iti	340.02	341
Iti Participacoes	35	14.99

Market Sales

Gap	375	375	Konaco Foods
Minors	1.33	1.31	Kowasaki Steel
de Rio Doce	155	157	Kirin Brewery
rig	3	3200	Komatsu
			Kubota
respa Index : 45739			Kyocera
visions : 44313			Matsui Elec Inds
			Matsui Elec Wks
			Mitsubishi Bk
			Mitsui Chemical
			Mitsubishi Elec

Market Sales

Devishoborn	7.63	7.53	Aaitsumi Marine
de & Carriage	12.68	12.78	Aaitsumi
	10.40	10.30	Aaitsumi
8 Lond	4.40	4.40	NEC
Levingston	6.75	6.75	NGK Insulators
er & Neave	15.90	15.50	Nikko Securities
Eastn Lite	27.40	27.30	Nippon Koraku
ing Leans Fin	4.10	4.14	Nippon Oil
ncore	5.05	\$	Nippon Steel
ona Shipyard	11	11.10	Nippon Yusen

Market Sales

NYSE	298.9	298.9
AMEX	15.8	15.8
NASDAQ	257.1	257.1

Market Sales

Telecomm	2.81	2.89	Tokata Chem
Units Sileam	4.80	4.68	TDK
Units Trading	3.84	3.52	Tellin
Lee Bank	4.32	4.30	Tokyo Marine
Industrial	1.32	1.32	Tokyo Elec Pw
O'sea Bk form	13.10	15.60	Tospan Printing
O'sea Land	2.52	2.45	Toray Ind.
NYSE Times Index:	2187.87		Toshiba
AMEX	2183.57		Toyota

Market Sales

NYSE	Today	Prev.
AMEX	15.8	15.8
NASDAQ	257.1	257.1

Market Sales

Dow Jones Averages

Index	Open	High	Low	Last	Chg.
Dow Jones Industrial Average	3,745.95	3,745.95	3,745.95	3,745.95	+4.03
S&P 500	1,234.56	1,234.56	1,234.56	1,234.56	+0.12
NASDAQ Composite	2,567.89	2,567.89	2,567.89	2,567.89	+0.05
AMEX	15.8	15.8	15.8	15.8	+0.01

Standard & Poor's Indexes

Index	Open	High	Low	Last	Chg.
Industrials	1,234.56	1,234.56	1,234.56	1,234.56	+0.12
Technology	2,345.67	2,345.67	2,345.67	2,345.67	+0.05
Healthcare	3,456.78	3,456.78	3,456.78	3,456.78	+0.01
Financial	4,567.89	4,567.89	4,567.89	4,567.89	+0.01

NYSE Indexes

Index	Open	High	Low	Last	Chg.
NYSE Composite	2,567.89	2,567.89	2,567.89	2,567.89	+0.05
NYSE Industrials	1,234.56	1,234.56	1,234.56	1,234.56	+0.12
NYSE Technology	2,345.67	2,345.67	2,345.67	2,345.67	+0.05
NYSE Healthcare	3,456.78	3,456.78	3,456.78	3,456.78	+0.01

NASDAQ Indexes

Index	Open	High	Low	Last	Chg.
NASDAQ Composite	2,567.89	2,567.89	2,567.89	2,567.89	+0.05
NASDAQ Industrials	1,234.56	1,234.56	1,234.56	1,234.56	+0.12
NASDAQ Technology	2,345.67	2,345.67	2,345.67	2,345.67	+0.05
NASDAQ Healthcare	3,456.78	3,456.78	3,456.78	3,456.78	+0.01

Dow Jones Bond Averages

Bond	Open	High	Low	Last	Chg.
10-Year Treasury Note	95 30/32	95 30/32	95 30/32	95 30/32	+1/32
30-Year Treasury Bond	102 1/2	102 1/2	102 1/2	102 1/2	+1/8
5-Year Treasury Note	101 1/4	101 1/4	101 1/4	101 1/4	+1/16
2-Year Treasury Note	100 3/4	100 3/4	100 3/4	100 3/4	+1/32

AMEX Stock Index

Index	Open	High	Low	Last	Chg.
AMEX Composite	15.8	15.8	15.8	15.8	+0.01
AMEX Industrials	1,234.56	1,234.56	1,234.56	1,234.56	+0.12
AMEX Technology	2,345.67	2,345.67	2,345.67	2,345.67	+0.05
AMEX Healthcare	3,456.78	3,456.78	3,456.78	3,456.78	+0.01

NYSE Diary

Index	Open	High	Low	Last	Chg.
NYSE Composite	2,567.89	2,567.89	2,567.89	2,567.89	+0.05
NYSE Industrials	1,234.56	1,234.56	1,234.56	1,234.56	+0.12
NYSE Technology	2,345.67	2,345.67	2,345.67	2,345.67	+0.05
NYSE Healthcare	3,456.78	3,456.78	3,456.78	3,456.78	+0.01

AMEX Diary

Index	Open	High	Low	Last	Chg.
AMEX Composite	15.8	15.8	15.8	15.8	+0.01
AMEX Industrials	1,234.56	1,234.56	1,234.56	1,234.56	+0.12
AMEX Technology	2,345.67	2,345.67	2,345.67	2,345.67	+0.05
AMEX Healthcare	3,456.78	3,456.78	3,456.78	3,456.78	+0.01

NASDAQ Diary

Index	Open	High	Low	Last	Chg.
NASDAQ Composite	2,567.89	2,567.89	2,567.89	2,567.89	+0.05
NASDAQ Industrials	1,234.56	1,234.56	1,234.56	1,234.56	+0.12
NASDAQ Technology	2,345.67	2,345.67	2,345.67	2,345.67	+0.05
NASDAQ Healthcare	3,456.78	3,456.78	3,456.78	3,456.78	+0.01

Spot Commodities

Commodity	Open	High	Low	Last	Chg.
Crude Oil	25.57	25.57	25.57	25.57	+0.01
Natural Gas	1.57	1.57	1.57	1.57	+0.01
Gold	425.00	425.00	425.00	425.00	+0.01
Silver	16.50	16.50	16.50	16.50	+0.01

Market Sales

Index	Open	High	Low	Last	Chg.
NYSE	298.9	298.9	298.9	298.9	+0.05
AMEX	15.8	15.8	15.8	15.8	+0.01
NASDAQ	257.1	257.1	257.1	257.1	+0.05

Market Sales

Index	Open	High	Low	Last	Chg.
NYSE	298.9	298.9	298.9	298.9	+0.05
AMEX	15.8	15.8	15.8	15.8	+0.01
NASDAQ	257.1	257.1	257.1	257.1	+0.05

EUROPEAN FUTURES

Metals				
	Close	Ask	Prev	
	Bid		Bid	
ALUMINUM (High Grade)				
Dollars per metric ton				
Spot	1834.00	1837.00	1874.00	
Forward	1863.00	1864.00	1900.00	
COPPER CATHODES (High Grade)				
Dollars per metric ton				
Spot	2712.00	2713.00	2738.00	
Forward	2877.00	2878.00	2900.00	
LEAD				
Dollars per metric ton				
Spot	630.00	631.00	637.00	

Britain Blocks EU Law On Pay for Part-Timers

BRUSSELS — Britain clashed with European Union partners over social policy Tuesday, blocking legislation that would give part-time workers the same pay rates and benefits as full-time workers.

The other 11 EU members are now expected to go ahead on the measure without Britain, using the social protocol of the Maastricht treaty to bypass the British veto.

The ministers also failed to agree on a law that would give people who have been sent abroad to work the same rights as workers in the country they are working in.

Germany, the current EU president, called a session for Dec. 21 after ministers expressed willingness to try to reach an agreement.

Michael Portillo, the British employment secretary, said he had blocked the law giving part-time workers the same hourly pay and benefits as full-time workers because he thought it would cost jobs.

"I'm convinced that in the U.K. the impact of the directive would have been that jobs would

have been lost, whereas the objective of all of us is to create the flexibility where jobs can be created," he said.

If EU social affairs legislation is adopted under the social protocol, it does not apply in Britain, which opted out of the Maastricht treaty's social chapter.

The final legislation, which had been significantly watered down in an attempt to get Britain's support, is expected to be much stronger than the law discussed Tuesday.

"There was a call for a much stronger proposal," one EU official said.

Germany had tried to win Britain's backing by leaving contractual rights and statutory social security provisions outside the law's scope.

Britain also opposed the law on people who go abroad to work — aimed mainly at the construction industry — saying they received sufficient protection under national laws and that the new legislation would hit low-wage countries.

The construction industry is particularly affected because many building workers travel to find work on a short-term basis.

France Rejects Call by Bonn on Monetary Union

By Tom Buhrle
International Herald Tribune

PARIS — The French nominee to oversee Europe's move toward a single currency rejected calls from Germany to tighten the criteria for monetary union, saying existing political cooperation and budget deficits were sufficient.

The nominee, Yves-Thibault de Silguy, also criticized a recent proposal by Chancellor Helmut Kohl's Christian Democratic Union/Christian Social Union parliamentary group, calling for Germany, France and the Benelux states to adopt a single currency first, as "maladroit and perhaps unnecessary."

"I prefer to take objective criteria and see to it that those who respect these objective criteria will be the chosen ones," Mr. de Silguy said in a recent interview. That may well mean only a small group of countries first, he said, but "there is no predestination in this matter, something which seems to me to be diplomatically, psychologically and politically disagreeable."

The comments typify the pragmatic, low-key approach of Mr. de Silguy, currently the chief adviser on European Union affairs to Prime Minister Edouard Balladur. Those qualities are already being put to the test as Mr. de Silguy finds himself trying to reconcile French and German ideas for monetary union, not to mention French plans for Europe that would trim his own power as an EU commissioner in Brussels.

Last week Mr. Balladur published a proposal to abandon German ideas for a federal Europe with ever-greater sharing of power, saying Paris, Bonn and London would never let themselves be outvoted in a future Union of 20 or more members. Instead he called for a virtual Europe à la carte, with France teaming up with Germany on a single currency, with Britain on defense and with Italy and Spain on Mediterranean issues.

Naturally, Mr. de Silguy gives full support to his boss's plan, saying it is essential to prevent the Union from becoming ungovernable as it takes in as many as 10 new members from Eastern Europe.

He said there was no split with Bonn on the fundamental aim — a strong European Union that is more than a free-trade zone, including "federal elements" such as a common agricultural policy. But he drew the line at German calls for closer political cooperation as a precondition for a single currency.

Hans Tietmeyer, the Bundesbank president, said recently that such cooperation was needed to avoid a sudden bout of deficit spending in one country that could affect management of a single currency.

Talk like that "goes beyond the Treaty on European Union," Mr. de Silguy said.

Dresdner Undercut By Bonds

Compiled by Our Staff From Dispatches

FRANKFURT — Dresdner Bank AG, Germany's second-largest commercial bank, on Tuesday reported a drop in profit for the first 10 months of 1994 as the year's bond market slump hit into its earnings.

But a rise in its business volume and an improvement in its interest margins helped to boost interest income, and it forecast a satisfactory profit for the full year.

Group operating profit after provisions for loan losses fell 17 percent, to 1.33 billion Deutsche marks (\$844 million), compared with the year-earlier period.

The decline was explained by a loss of 301.4 million DM from trading on the bank's own account as lower bond prices forced Dresdner to make heavy write-downs on its bond portfolio.

Chief Executive Jürgen Sarrazin said that two-thirds of the loss in trading on the bank's own account stemmed from derivatives operations by Dresdner's Paris subsidiary, Banque Internationale de Placement.

The trading loss was partly offset as provisions set aside for potential loan losses fell 16 percent, to 1.05 billion DM, as credit risks eased at home and abroad.

The bank said group net interest income rose 9.4 percent, to 5.72 billion DM, boosted by a widening of the net interest margin to 1.77 percentage points from 1.75 points and by a rise in business volume.

(Reuters, Bloomberg)

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
2260	3200	2200		
2100	3100	2100		
2000	3000	2000		
1900	2900	1900		
1800	2800	1800		
1700	2700	1700		
1600	2600	1600		
1500	2500	1500		
1400	2400	1400		
1300	2300	1300		
1200	2200	1200		
1100	2100	1100		
1000	2000	1000		
900	1900	900		
800	1800	800		
700	1700	700		
600	1600	600		
500	1500	500		
400	1400	400		
300	1300	300		
200	1200	200		
100	1100	100		
0	1000	0		

Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam AEX		411.18	419.35	-0.52
Brussels Stock Index		7,310.28	7,339.30	-0.40
Frankfurt DAX		2,046.88	2,071.12	-1.17
Frankfurt FAZ		772.27	778.10	-0.75
Helsinki HEX		Closed	1,881.53	
London Financial Times 30		2,318.50	2,331.30	-0.55
London FTSE 100		3,016.10	3,033.50	-0.57
Madrid General Index		Closed	304.53	
Milan MBTEL		9,827.00	10,044	-2.16
Paris CAC 40		1,968.95	1,973.65	-0.24
Stockholm Afaersvaerden		1,889.39	1,896.10	-1.41
Vienna ATX index		1,044.82	1,050.47	-0.54
Zurich SBS		915.57	922.20	-0.72

BT Seeks Delay In Phone Pacts

Compiled by Our Staff From Dispatches

LONDON — British Telecommunications PLC said Tuesday it had asked U.S. regulators to delay approving two alliances of U.S. and European telecommunications companies.

It said Sprint Corp.'s alliance with France Telecom SA and Deutsche Telekom AG, as well as AT&T Corp.'s pacts with state-owned Swiss and Dutch companies should await further liberalization of European markets.

(Reuters, AFP)

Citroën and Renault Plan Job Cutbacks Next Year

The Associated Press

PARIS — Renault and Citroën said Tuesday they planned to eliminate as many as 3,600 jobs next year.

Executives at Citroën, one of the two automaking divisions of PSA Peugeot Citroën SA, said the unit would cut 1,180 jobs next year through attrition and other measures short of layoffs.

That plan, which affects six plants in France, is to be formally presented Dec. 15. The division also plans to hire between 500 and 600 new employees as part of its strategy to

lower the average age of its work force.

Automobiles Peugeot said last month that it expected to induce about 600 employees aged 57 or older to accept an early retirement package next year.

Labor representatives at Renault, in which the French government recently reduced its holding to 51 percent, said the carmaker would eliminate between 1,700 and 1,800 jobs next year through attrition, incentives for early retirement and other means, but without layoffs.

AMEX

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE 1993 High Low Latest Chg	12 Month High Low Stock Div Yld PE 1993 High Low Latest Chg	12 Month High Low Stock Div Yld PE 1993 High Low Latest Chg	12 Month High Low Stock Div Yld PE 1993 High Low Latest Chg
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Samsung Move Into Cars Starts Wave of Protest

SEOUL — Automobile workers threatened Tuesday to strike if the government approved Samsung Co.'s application to enter the passenger-car market.

Korea Executives Guilty of Bribery

SEOUL — Three prominent South Korean industrialists were convicted Tuesday of bribery charges by a Seoul criminal court, but their sentences were suspended because of their "contributions" to the country's economy.

Kim Woo Chong, chairman of Daewoo Group Corp., Choi Won Suk, chairman of Dong Ah Construction Industrial Co., and Park Ki Suk, chairman of Samsung Engineering & Construction Co., were convicted of bribing a former head of a state-run company to win construction contracts. They were placed on probation for two years.

But the court gave a three-year prison sentence to Ahn Byung Wha, former chief of Korea Electric Power Corp., who received \$375 million in bribes while awarding contracts for a \$2 billion power plant.

tion from Samsung would hurt their business, made an impassioned appeal to prevent the entry of the prospective rival.

The ministry is due to decide on Samsung's application, which it made Monday, within 20 days. Analysts said it was almost certain to be approved.

"If the government accepts Samsung's application to import technology despite our plea, all car-industry workers are ready to go on a full-scale strike," said Bae Bum Sik, chief of an association of automotive workers that has about 100,000 members in 70 companies.

Mr. Bae said increased competition would lead to "deteriorating earnings, which will eventually threaten our job security and our lifestyle."

He said a rally was planned for Wednesday outside government buildings near Seoul to press a demand to block the Samsung move and that a delegation would visit the Blue House, the presidential residence, to make a direct appeal to President Kim Young Sam.

About 25,000 employees of Kia Motors Corp., the strongest opponent of Samsung's entry, held a peaceful protest Tuesday.

Presidents of the six current carmakers also made a plea in a front-page advertisement published in most South Korean newspapers to block Samsung's plans.

A Big Market Offers a Fresh Start

Some U.S. Firms Find Indonesia Familiar Ground

By Andrew Pollack

New York Times Service

JAKARTA — General Motors Corp. is back in Indonesia, selling the Opel Vectra sedan made at its new assembly plant near Jakarta, the first GM plant in Southeast Asia.

GM is one of many American companies that have discovered or rediscovered Indonesia, lured by the prospect of its strong economic growth, abundant natural resources and the world's fourth-largest population.

The company first entered what is now Indonesia in 1930 and by the early 1960s controlled more than 40 percent of its modest car market. In 1964, as Indonesia swung to the left, American companies were forced to leave. Now GM is starting over in a country in which about 90 percent of the vehicles are Japanese.

China, Vietnam and other countries. So the government has been gradually liberalizing laws that restricted foreign investment and imports.

In June, it allowed foreign companies to own 100 percent of their businesses in Indonesia for the first 15 years. Previously, most foreign ventures required an Indonesian partner. Also in June, foreign companies were finally allowed into ventures to provide roads, telecommunications networks, ports and other public facilities.

Still, businessmen say that, combined with problems of corruption, remaining restrictions still make doing business in Indonesia a daunting task. Indonesia's economy was dominated until recently by the petroleum industry, in which American companies such as Mobil Corp. and Cal-

Investor's Asia

Exchange	Index	Tuesday Close	Monday Close	% Change
Hong Kong Hang Seng	1900	2,322.85	2,302.63	+0.88
Singapore Straits Times	2400	2,187.07	2,185.57	+0.07
Tokyo Nikkei 225	2000	1,491.20	1,497.50	-0.43
Sydney All Ordinaries	1000	38,340.47	38,385.66	-0.12
Kuala Lumpur Composite	500	553.88	553.88	0.00
Bangkok SET	1000	1,342.59	1,338.11	+0.33
Seoul Composite Stock	2000	1,975.01	1,955.09	+0.99
Taipei Weighted Price	1000	6,705.47	6,750.22	-0.66
Manila PSE	1000	2,655.63	2,622.71	+1.25
Jakarta Stock Index	1000	466.39	470.59	-0.89
New Zealand NZSE-40	1000	1,941.45	1,939.36	+0.11
Bombay National Index	1000	1,920.59	1,934.21	-0.69

Very briefly:

- Taisei Corp. led a Malaysian-Japanese consortium chosen to build the main passenger terminal of Malaysia's new international airport; the group bid 1.74 billion ringgit (\$678 million).
- Malaysian Airlines, in its first earnings report since being privatized, said its pretax profit in the six months to September rose to 101.25 million ringgit from 6.34 million ringgit in the year-earlier period, helped by a 15 percent increase in revenue.
- NEC Corp. plans to launch a new mainframe computer in a leasing venture with Toshiba Corp. and personal conference software developed with Intel Corp. of the United States.
- Fujitsu Ltd. has grouped three subsidiaries in Japan, Britain and the United States to form KnowledgePool, which it called the world's biggest commercial technology education alliance.
- China is considering raising \$3 billion in overseas markets to pay for construction of the Three Gorges dam on the Yangtze River.
- Mazda Motor Corp. will buy a sports utility vehicle made by Suzuki Motor Corp. for sale under the Mazda name.
- China said McDonald's Corp. would be given a site in Beijing to replace its largest outlet worldwide, which is to be razed to make way for a commercial complex.

Manila to Seek IMF Easing

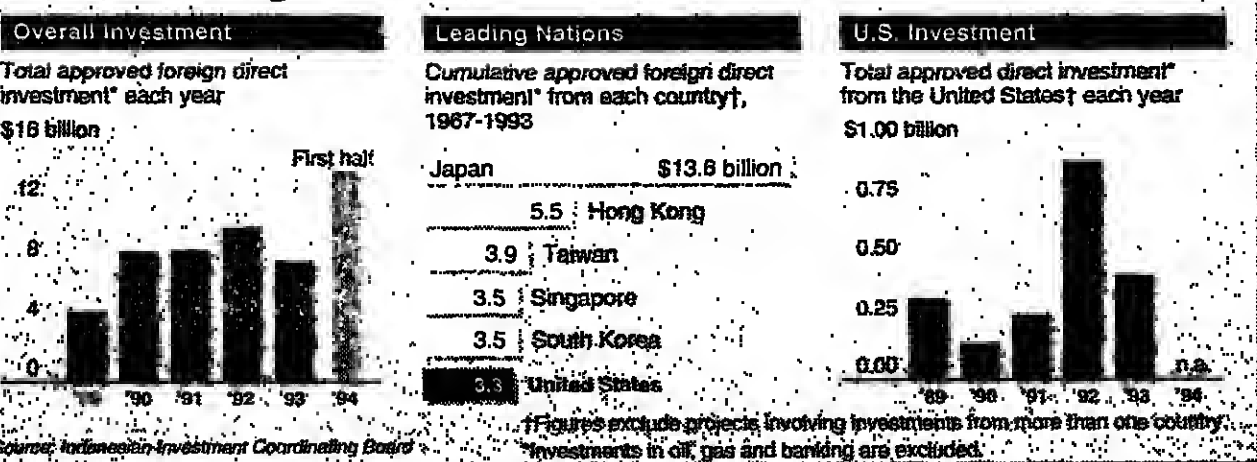
MANILA — The Philippines will ask International Monetary Fund negotiators next week to relax the IMF's stringent limits on the country's inflation and money supply to allow the economy to grow, Manila's central bank chief said Tuesday.

Governor Gabriel Singson's remarks came after a top bank official warned that Manila might shorten its current three-year IMF-sanctioned economic program if the program restricted the country's recovery.

"I will strongly negotiate for a higher base money target," said Mr. Singson, who will head the Philippine delegation in talks with an IMF team reviewing Manila's compliance with the program, which was approved in June.

The IMF asked Manila to rein in money supply and keep inflation at single-digit levels.

Rediscovering Indonesia



Japanese Demand for Foreign Cars Grows as Choices Widen

Compiled by Our Staff From Dispatches

TOKYO — Imports of foreign-made vehicles in Japan surged 67 percent in November, the Japan Automobile Importers Association said Tuesday.

A total of 26,121 passenger cars and trucks were sold last month, up from 15,636 in November 1993. Sales of foreign cars in Japan have been rising for 13 months as a result of lower prices, a greater choice of vehicles and wider acceptance among Japanese consumers.

Of the total imports, 24,930 passenger cars were sold in November, up 66 percent from a year earlier.

Takayuki Shimozaki, a spokesman for the association, said more Japanese dealers were selling a greater variety of imported vehicles. Honda Motor Co.'s dealer network, for instance, distributes vehicles made by Chrysler Corp.

Lower retail prices because of the yen's appreciation against the dollar, low-interest loan campaigns and the popularity of Japanese cars produced overseas were among other factors contributing to sales.

Mercedes-Benz AG led all importers in November. Honda was close behind. Sales of cars

from Ford Motor Co., which led U.S. auto companies, more than tripled from a year earlier, to 1,325 units.

Among all imported vehicles, 6,724 were Japanese-brand cars produced abroad, the association said.

Despite the increase, imports still made up only 6.1 percent of all new cars sold in Japan in November, as foreign car dealers said barriers to doing business in Japan continued to make progress slow.

(Bloomberg, AP)

TV: Multinational Productions Expand to Meet Asia's Television Needs

Continued from Page 15

ional Media, a Hong Kong-based media consultancy.

"The initial investors are being wary," she added. The most likely candidate for coproductions are game shows, children's animation, wildlife and other nonpolitical documentaries. Because of linguistic and cultural differences, drama series and situation comedies are proving problematic.

STAR-TV, the News Corp. unit whose programs and films blanket the region, is engaged in secret negotiations with Chinese authorities on the creation of a "large television-production center to transmit the full gamut of programs," according to John Olone, a program executive. He said the official announcement of the facility and its location should come in six to eight weeks.

STAR-TV has just wrapped up a grueling season of soccer matches pitting provincial Chinese teams against one another for the first time.

This coproduction with Chinese Central TV proved to be a "logistical nightmare," Mr. Olone said, despite widespread viewership. In future coproductions, the broadcaster plans to streamline local staff, speed up programs and upgrade technical facilities.

In addition to another soccer season, STAR will continue

business programs in China and India, with several expanded programs under discussion.

Michael Solomon, chairman of Solomon International Enterprises and former head of Warner Brothers Inc.'s TV production unit, was one of the first to recognize the potential for East-West joint ventures. He conjured up the concept of barrier programming eight years ago in Shanghai. This system enables program suppliers to sign on advertisers in return for air time.

At MIP Asia, Mr. Solomon announced a \$35 million joint venture with Amritraj Entertainment to be based in Madras, India. The first coproductions will be two epic serials on the Raj period and another on an Indian deity. They will be shot back-to-back in English and Hindi. Solomon plans to export the programs to Indian-speaking communities in the West and then Westernize them for Latin American viewers.

Chinese versions of Bert, Ernie and Miss Piggy are on the horizon. Children's Television Workshop has planned a coproduction of "Sesame Street" with STV of Shanghai. It will be distributed throughout China in the Mandarin language.

As in other adaptations of "Sesame Street," local curriculum specialists will tailor the programs, according to David

Jacobs, a Children's Television Workshop vice president. "The shows will address what's important to Chinese children, not to children around the world," Mr. Jacobs said.

NHK, the Japanese broadcaster, is one of the most experienced coproducers in the region, with 43 projects launched last year, 10 of which were joint ventures with other Asian partners in China, Korea, Sri Lanka, Thailand, and Hong Kong.

In the United States, NHK has coproduced critically acclaimed series on the world of industry. "Coproduction is an excellent means of discovering one another's cultures," said Nagari Tajima of NHK.

But it is not always easy. In one historical documentary covering the Nanking massacre of Chinese civilians by Japanese soldiers, Chinese partners strongly objected to Japan's low estimate of the casualties. The diluted compromise solution was to omit mention of any numbers at all.

With their Asian partners, the Japanese are contending with difficulties similar to those faced by American producers attempting to export to the region. "American producers can get away for two or three years forcing a style unfamiliar to Asian viewers," Mr. Tajima said. "After that, it won't work."

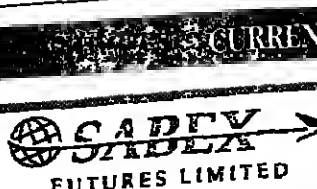
PERMAL GROWTH N.V.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given, that an annual general meeting of the shareholders of PERMAL GROWTH N.V. will be held at its principal office, Carasso International Trust Company N.V., Kaya Flamingo 9, Carasso, Netherlands Antilles on December 9, 1994, at 11:30 a.m. local time for the purpose of:

1. Approval of annual accounts of the Company for the fiscal year ended December 31, 1993.
2. Appointment of an entity which will be in charge of the management of the Company in case the Managing Director is prevented from or incapable of acting as management.
3. Reappointment of the Director of the Company.
4. Reappointment of the Independent Auditor of the Company.
5. Ratification of all acts of the Managing Director since the preceding meeting of the shareholders.
6. Transferring any other business that may properly come before the meeting or any adjournment or adjournments thereof.

BY ORDER OF THE MANAGING DIRECTOR.
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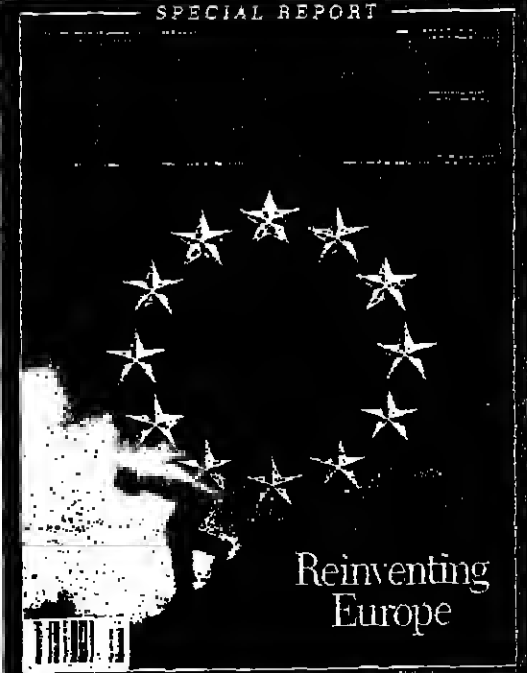
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TIME

SPORTS

Progress Is Reported in 2 of 3 Key Issues in Hockey Lockout

By Joe Lapointe
New York Times Service

CHICAGO — Negotiators have made significant progress in their attempt to end the 66-day lockout and begin the National Hockey League season.

During a six-hour session Monday, the league and its Players Association reached compromises on two of three significant issues, according to persons with knowledge of the collective bargaining.

Those issues were an entry-level salary structure that limits rookies to a maximum \$1 million in their first

season and a free-agency formula to give veterans freedom of employment at age 30.

The third major issue, salary arbitration, was not discussed but was expected to be addressed when bargaining resumed Tuesday morning. If the two sides can come to an agreement by the end of the week, it is possible that games could begin by Christmas and that a season of at least 50 games could be salvaged.

Neither Gary Bettman, the commissioner, nor Bob Goodenow, the executive director of the Players Association, would speak in detail

about the negotiations. The signs of optimism came from people involved in the talks, who spoke on the condition of anonymity.

"We'll see what the next day brings," Bettman said. "I don't want to get into handicapping, whether or not there's progress, what issues are on the table, off the table, in the table. As long as the process is ongoing, that's better than if it is not. Hopefully, we won't work ourselves into a new phase of frustration, but it could re-emerge."

One issue that could bring back frustration is a luxury tax on payrolls,

a bitterly disputed issue which could derail a settlement.

Bettman insisted on the tax early in the negotiations as part of a plan to place what he called a "drag" on salary inflation. The union called the tax a salary cap in disguise and refused to negotiate other issues unless Bettman dropped talk of the tax.

Negotiations began to show progress in mid-November after the commissioner put aside the tax, temporarily at least. Someone with knowledge of the union position said late Monday night that if Bettman tried to reintroduce a tax on payrolls,

"all the work we've done for the last three weeks is out the window."

Goodenow would not discuss a deadline to save at least part of the season. So far, each team has lost 24 games of its 84-game schedule.

"Both sides are well aware of what is at stake here," the players' representative said. "Time is what it is. The calendar is what it is."

Under the tentative terms of Monday's bargaining, the owners have dropped their quest for one "franchise player" per team who would be exempt from free agency. In return, the players are willing to raise the age

of free agency from 28 to 30. In addition, a player would have to have completed four seasons of league experience with at least 40 games in each of those seasons.

The two sides are still not in agreement on the age of players for the entry draft, currently 18. The owners would prefer it to be 20.

The obvious compromise would be to set the age at 20 and allow 18- or 19-year-olds to volunteer in much the way that undergraduate athletes do now in college football and basketball.

Negotiator For Baseball Owners Quits

New York Times Service

ATLANTA — If the striking baseball players and major league club owners ever reach a settlement, it will be without the man who served the past three years as management's chief labor negotiator.

They will also apparently have to do it with something other than the owners' recent tax proposal.

"We don't believe it provides a framework in which we likely will get an agreement," Donald Fehr, the head of the players union, said in his first public characterization of the owners' proposed luxury tax on payrolls.

Earlier Monday, Richard Ravitch announced that he was resigning as president of the Players Relations Committee upon expiration of his contract at the end of this month.

The move came as no surprise, given the increased role the owners have taken in the fruitless negotiations and the ill-fated history of the position Ravitch has held. Labor agreements have often been reached and work stoppages ended with the chief labor executive replaced by another member of management in the key negotiating role.

Ravitch's resignation and Fehr's view of the tax proposal came on a day when the union's executive board convened a three-day meeting here. Seventy-eight players, far more than are on the board, were on hand for the union's effort to formulate a counterproposal to present to the owners' negotiators Friday.

If the two sides do not have an agreement, or are not on their way to settling their differences, the owners will meet Dec. 15 in Chicago, where they are expected to approve an implementation strategy, including a salary cap.

Ravitch, 61, was not at the latest round of talks with players, last Tuesday and Wednesday. John Harrington of the Boston Red Sox had replaced him as the owners' point man at a bargaining session Nov. 10. If it had not been obvious before then that Ravitch would not stay beyond the end of his contract, it became obvious that day.

"I never expected this would last as long as it did," Ravitch said. "I never expected to stay more than three years. I have not wanted to leave sooner because I did not want in any way to impair efforts to make the necessary changes in baseball."

"We're hopefully down to the final stages of negotiations," he said, "and no one can make the decisions but the owners. No one can make them on their behalf. They're sufficiently informed. I don't feel I'm letting them down in any way."

Raiders Defeat Chargers And Keep Playoff Hopes

The Associated Press

SAN DIEGO — If the San Diego Chargers had a lot at stake, the Los Angeles Raiders had even more.

And so they crashed the Chargers' coming-out party Monday night, with Jeff Hostetler's six-yard touchdown pass to Rocket Ismail with 7:23 left, giving them a 24-17 victory.

The Chargers (9-4) needed a victory to clinch their second AFC West title in three seasons. The Raiders needed a victory to stay in the scrambled playoff picture, and they joined four other AFC teams with 7-6 records.

"You lose, you're out, for us," said Los Angeles defensive tackle Nolan Harrison. "Everyone knew that going into the game."

The Raiders entered the game ranked 13th in the AFC in total offense, but outgained the Chargers, 410 yards to 261.

Ismail's second touchdown catch of the night came at the

end of an 81-yard, nine-play drive on which Hostetler completed passes of 31 and 16 yards to Tim Brown.

Ismail also caught a 6-yard scoring pass from Vince Evans in the second quarter.

The Chargers began their final drive at their 8-yard line with 1:28 to play and got to the Los Angeles 48 before a holding penalty moved them back. Aaron Wallace sacked Stan Humphries to end the game.

Hostetler was 22 of 29 for 319 yards and two touchdowns, with one interception. Brown caught seven passes for 96 yards. Ismail, who had only three touchdown receptions coming into the game, had four catches for 31 yards. The Raiders tied a team record with 17 penalties, for 146 yards.

The Chargers' Stan Humphries was 17 of 33 for 202 yards with one touchdown. Running back Natrone Means was held to 41 yards on 18 carries, his worst output of the season.

• Further examinations found that the Denver Broncos' quarterback, John Elway, has a strained muscle behind his right knee. Although the injury was not as serious as first thought, Elway's chances of playing against the Raiders on Saturday were listed as "50-50."

• The Pittsburgh Steelers' running back, Barry Foster, has two broken bones in his lower back, not a concussion as initially diagnosed, but will very likely play Sunday against the Philadelphia Eagles.

• The broken left thumb of the Seattle Seahawks' quarterback, Rick Mirer, was operated on and he will miss his team's final three regular-season games.

• Mike Frier, the Seahawks' defensive tackle whose neck was broken in a car accident, can flex his biceps but can't move his legs or fingers and probably never will, a doctor said.



The Raiders' defensive ends, Anthony Smith (94) and Nolan Harrison, put pressure on quarterback Stan Humphries.

SCOREBOARD

NFL Standings

AMERICAN CONFERENCE						
East						
	W	L	T	Pct.	PF	PA
Miami	8	5	8	.415	311	269
Buffalo	7	6	0	.538	297	284
New England	7	6	8	.538	267	279
N.Y. Jets	6	7	8	.462	241	257
Indianapolis	6	7	0	.462	274	277

Control						
	W	L	T	Pct.	PF	PA
y-Pittsburgh	10	3	0	.769	251	187
Cleveland	9	4	0	.692	277	164
Cincinnati	2	11	0	.154	236	321
Houston	1	12	0	.077	179	295
West						
	W	L	T	Pct.	PF	PA
San Diego	9	4	0	.692	308	228

Kansas City	7	6	8	.538	241	235
LA Raiders	7	6	8	.538	254	279
Denver	7	6	0	.538	287	301
Seattle	5	8	8	.385	246	257
NATIONAL CONFERENCE						
East						
	W	L	T	Pct.	PF	PA
San-Diego	11	2	0	.846	366	198
Philadelphia	7	4	0	.578	262	245

Philadelphia	7	8	0	.462	221	262
N.Y. Giants	6	7	0	.462	184	235
Arizona	6	7	0	.462	184	235
Washington	2	11	0	.154	267	357
Central						
	W	L	T	Pct.	PF	PA
Minnesota	8	5	0	.615	295	242
Chicago	8	5	0	.615	238	241
Detroit	7	6	0	.538	278	289
Green Bay	6	7	0	.462	287	248
Tampa Bay	4	9	0	.308	191	289

NBA Standings

EASTERN CONFERENCE				
Atlantic Division				
	W	L	Pct	GB
Orlando	11	3	.786	—
New York	9	5	.643	2
Boston	7	8	.467	4½
Philadelphia	6	9	.400	5½
Washington	5	8	.385	6

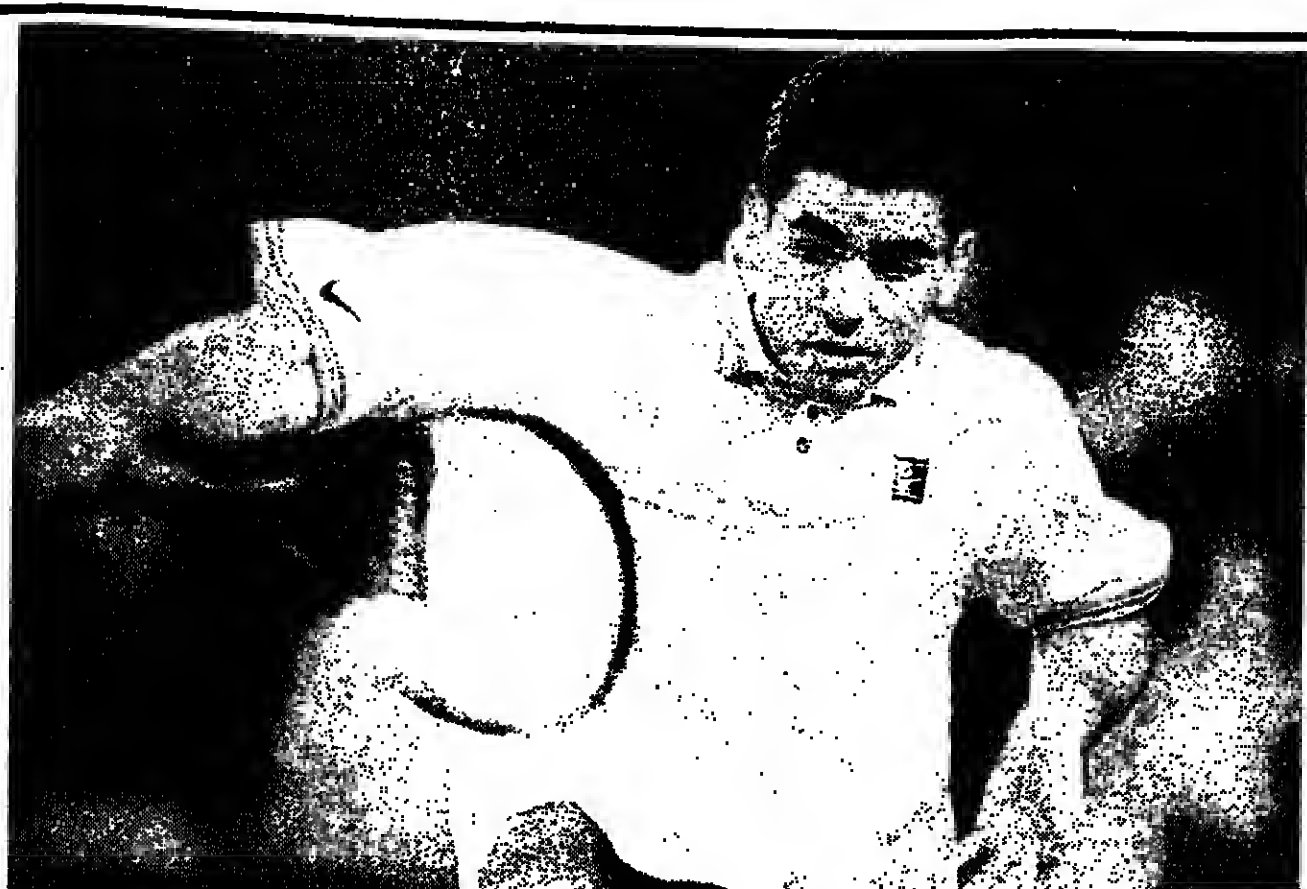
WESTERN CONFERENCE											
Pacific Division											
W	L	T	Pct.	GB	W	L	T	Pct.	GB		
San Diego	10	3	0	.769	0	Portland	9	5	0	.643	1 1/2
Portland	9	5	0	.643	1 1/2	Utah	8	7	0	.538	3
Utah	8	7	0	.538	3	Phoenix	7	8	0	.462	4
Phoenix	7	8	0	.462	4	Los Angeles	6	9	0	.400	5
Los Angeles	6	9	0	.400	5	San Antonio	5	10	0	.333	6 1/2
San Antonio	5	10	0	.333	6 1/2	Memphis	4	9	0	.308	7
Memphis	4	9	0	.308	7	San Jose	3	10	0	.231	8
San Jose	3	10	0	.231	8	Golden State	2	11	0	.167	9 1/2
Golden State	2	11	0	.167	9 1/2	LA Clippers	2	10	0	.167	10
LA Clippers	2	10	0	.167	10	San Francisco	1	11	0	.091	11
San Francisco	1	11	0	.091	11						

Atlanta	6	9	.400	3 1/2
Milwaukee	5	10	.333	4 1/2
WESTERN CONFERENCE				
Midwest Division				
	W	L	Pct	GB
Houston	11	4	.733	—
Utah	10	6	.625	1 1/2
Denver	8	6	.571	2 1/2

Philadelphia	15	26	24	25	6	76
NY: C.Smith 4-16 8-11 20, Ewing 8-15-9-12 25						
Barros 7-10 5-6 22, Wright 6-14 7-18 19, Re-						
pounds—New York 54 (Cookley 15), Philadel-						
phia 57 (Wright 11), Assistants—New York 24						
Ewing, Harper 6), Philadelphia 19 (Barros,						
Wier 4).						
New Jersey	28	24	32	22	—99	
Chicago	34	29	19	12	—94	

NJ: Gilliam 9-20 6-8 24, Anderson 3-17 8-10 15; Pippen 7-24 8-9 23, Armstrong 5-18 1-2 13. Rebounds—New Jersey 70 (Bentamin 16, Chicago 67 (Pippen 13). Assists—New Jersey (Anderson 18), Chicago 22 (Pippen, Arm- strong 5).																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										</
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SPORTS



PAYBACKS — Pete Sampras cruised by his U.S. Open conqueror, Jaime Yzaga, by the score of 6-2, 6-4 in Tuesday's first match at the \$6 million Grand Slam Cup in Munich. And Boris Becker made up for last year's first-round loss to Wayne Ferreira, rallying in a serve and volley duel to defeat the South African, 5-7, 6-4, 6-3. In other matches, Goran Ivanisevic beat Jonas Bjorkman, 6-4, 6-2, and Michael Chang beat Alberto Berasategui, 6-1, 7-5.

What They Sowed, They're Reaping

LONDON — How deep runs your well of sympathy for soccer's high and mighty? On Wednesday night, four of the self-elected elite — Barcelona, Bayern Munich, AC Milan and Manchester United — are on the rack of fear in the European Champions League.

Some will fall before the quarterfinal round. The players will feel the coach's wrath, the coaches will hear from the board of directors, the directors will be summoned before their bankers. Do not waste pity on them. For these are the grand masters, the power brokers who turned sporting clubs into finance houses. No longer prepared to take the chance of the "knockout" formula that had been the essence of the competition since European tournaments began, these bigwigs pressured UEFA, the continent's governing body, to draw up a so-called Champions League that guaranteed them six or more pay-days.

They milked the system for profit. But the system drained them. Milan and Barcelona, the champion and runner-up who contested a memorable night in last season's final in Athens, have groaned through the extra league matches. Their lament is that, this being World Cup year and their multinational stars being torn between club and country, the players are battle fatigued.

Milan, especially. It flew out to Tokyo last week, was plucked by Velez Sarsfield in the world club championship, and limped back, back to Europe.

The older players can hardly draw breath, particularly Franco Baresi, whose slowness demeans a once imperious mover. Particularly Alessandro Costacurta, Baresi's fellow aging defender, who gave both goals away to Sarsfield and was sent off.

Years condemn them, but critics condemn the coach, Fabio Capello. How could he go back to these time-worn athletes when last May's great night was won with Paolo Maldini and Filippo Galli, young and fitter by far, at the heart of the defense?

More than that, the young bloods of Milan, players like Gianluigi Lentini, Christian Panucci and Marco Simone, cry out that they feel unwanted, their talents betrayed, while the coach clings to old-timers.

Another Chinese Swimmer Has Failed Test for Drugs

LONDON — Another Chinese swimmer has failed a drug test, the international swimming federation said Monday. Gunnar Werner, secretary of FINA, said the world body had received the official results of a random test carried out before the start of October's Asian Games in Hiroshima, Japan.

Werner said he could not release any details until after the federation goes through all its procedures. A hearing is set for Wednesday, followed by a meeting of FINA's executive committee to decide on any suspension.

"The earliest we will have a decision is by the end of the week," Werner said by telephone from Karlstad, Sweden.

The nub of Milan's decline lies in self-deception. Coach Capello and the club's president, Silvio Berlusconi, were forced by the 4-0 triumph in Athens into believing the Milan machine was in fine fettle. Only now, when so much is lost and so much more at risk, are they scouring Europe, trying to buy such vibrant attackers as Sevilla's Croatian striker Davor Suker.

But, of course, the Italians have a scapegoat lined up. They face, in Vienna on Wednesday, Otto Conrad, the goalkeeper whom Milan swears, feigned injury when his head was struck by a plastic bottle in Milan's San Siro. That head injury, real or imagined, cost Milan two points. Now, unless it beats Conrad and his Casino Salzburg side into the ground, Milan will surrender its title as the champion of Europe.

All manner of hate mail has been aimed at the goalie. The victim of San Siro is cast as villain. His sporting reputation is battered by spite. His well-being is insidiously threatened.

He should care, Konrad is no innocent. He is 30 years old, he is Austria's international goalkeeper, a professional doing his job. And if Konrad has any appreciation of history, he will easily put Wednesday into perspective. For he stands between the posts in the vast Viennese stadium — used for profit because Salzburg's home is comparatively tiny — where the times past have inflicted far crueler fates.

The Ernst-Happel Stadium, formerly the Prater stadium, became, after the Anschluss with Germany in 1938, a staging post for Austrian Jews en route to Nazi death camps.

The taunts of a few Italians in the 72,000-capacity cauldron will be music to Konrad's ears if they mean that Salzburg is beating or holding Milan. The two points deducted after the match in Italy now separates the teams; only victory will do for Milan.

For what it is worth, I suspect there is one last hurrah in the Italian prime minister's team. I think it will squeeze out a victory and join Ajax Amsterdam, the group leader, in the quarterfinal round.

From other groups, Benfica and Hapag Split are already qualified, so are Paris St. Germain and IFK Gothenburg.

But the Parisiens and the Gothenburgers still have honor, as well as money, to earn. PSG, a winner every time in its five European matches this season, can eliminate Moscow Spartak and do Bayern Munich a favor.

The German champion, struggling to come to terms with the accent its new coach, Giovanni Trapattoni, brings from Italy, has to try to eke out victory in Kiev, where Dynamo will be cold comfort and where the Munich team, like the Milanese, battles the weariness of aging and knackered World Cup performers.

The odds are 50-50 on either Moscow Spartak or Bayern Munich reaching the last eight. Each depends on the pride, the effort, of opponents who have, principally, pride to play for.

And while Barcelona's struggle is against staleness, United's problems are more complex against Galatasaray of Istanbul. Five regulars — Danish goalie Peter Schmeichel, English fullback Paul Parker, Ukrainian and Welsh and English wingers Andrei Kanchevski, Ryan Giggs and Lee Sharpe — are injured. Two more, English midfielder Paul Ince and Welsh striker Mark Hughes, are suspended.

Galatasaray can enter history, since on visiting team has ever won a European cup tie on United's turf. United will play kids from its youth team — asking them to chase the tournament's bonus money. A case of the spirit being asked to overcome serious weaknesses in mind and body.

Rob Hughes is on the staff of The Times.

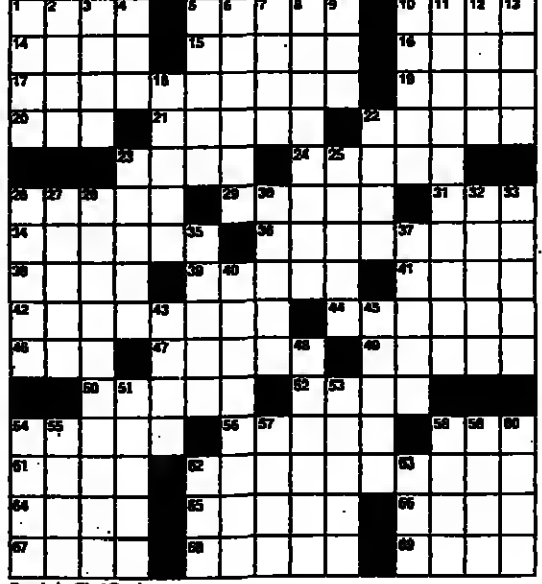
CROSSWORD

ACROSS
1 Mulligan, for one
6 Red Bordeaux
10 Script starter

10 Rule, Britannia!
16 Threes and woe
18 Warm-out

17 Foie gras fan
18 Actress Skye
20 Author Tan
21 Undocumented person
22 Omelet
23 Failed attempt
24 Prefix with act or state
26 Country singer Cowboy
28 Backus was his voice in 60's TV
31 Guavara
32 Kicked off
33 Sweets in those days
36 Works by sculptor Hans
38 Elects
41 S.F. train system
42 Adhesive, for one
44 "Jelly of the King" maiden
45 Diffident
47 Add more cushioning
49 Trial companion
50 Recumbent, in a way
52 Change for a five
54 Rumor
56 Seventy
58 Agenda items
61 Bumbler's blurt
62 Barely discernible aroma
64 Apartment building head, stargily
65 Honeybunch

DOWN
1 Casa room
2 Torso
3 Begudge
4 Minute
5 Shopping
6 "I" problem
7 Peace symbol
8 1958 Elvis hit
9 St.
10 Tangential remark
11 Church seat
12 Up — good
13 Inventory unit
14 Employee's delight
15 Lay — thick
16 Parson's home
17 Racket
18 Checkroom
19 Competitor of Phil
20 Lively new pet
21 Disoriented
22 "Tell —"
23 1985 Zombies hit
24 Computer command
25 Senior fellow
26 Skit hits
27 Potent punch
28 Harness race
29 Casts desirous eyes
30 Pinch a pooch
31 Climbs



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Solution to Puzzle of Dec. 6

WITS WATS PHILS
OTTO ASME REMEE
LENGUEUENLOIR
PRETS AUTO LAD
EYED NEEDED
IMP SOFT BOXCAR
SEAM PRDA DUANE
LACAGEAUXFOLLES
ALENE UCLA TIME
MYSELF HEAD FOE
OTTAWA REDD
OAF SIRS ARRAY
THELITTLEPRINCE
TEVIS HEEL PITA
SMELT ESTPY SAISH

Odense Ousts Madrid From Cup

Compiled by Our Staff From Dispatches

Morten Bisgaard scored in the final minute of Tuesday evening's match in Madrid to give the modest Danish side Odense a 2-0 victory over Real Madrid that eliminated the Spanish league leaders from the UEFA Cup.

Bisgaard scored in the 90th minute on a sharp-angled, 12-meter shot from the left of Real

UEFA CUP SOCCER

Madrid goalkeeper José Santiaño Canzanas and Odense advanced on a 4-3 aggregate.

The Danes took a 1-0 lead in the 71st minute on a goal from Ulrik Pedersen. It tied the teams, 3-3, on aggregate but still would have allowed Real Madrid to advance by virtue of the away goal rule.

Real Madrid won its first-leg, third-round match in Denmark by a 3-2 score.

"It's a defeat we really didn't expect, it's sad, naturally," said Real Madrid forward Alfonso Perez Munoz. "This is proof there are no easy teams in European competition."

Pedersen's goal came as he took the ball down the right side and then lobbed a shot from 10 meters over Canzanas.

Real Madrid thoroughly dominated the first 45 minutes, with four clear but unrewarded scoring chances. Odense's only chance in the first half came in the 20th minute, when Carsten

Dehlfesen hit the crossbar from 25 meters.

Real Madrid's Danish forward, Michael Laudrup, and defender Enrique Sanchez were stopped by Odense goalkeeper Lars Hough in the first 11 minutes, and Emilio Burragueta and Martin Vasquez missed on scoring chances in the final 15 minutes of the half.

Parma 4, Bilbao 2: Dino Baggio scored twice as the Italian league leader, playing at home, held off the Spanish team and gained the quarterfinals on a 4-3 aggregate score.

A third goal on the road would have qualified Athletic. Italian international Gianfranco Zola opened the scoring in the 21st minute with a drive from 12 meters.

Midfielder Baggio made it 2-0 from a few meters in the 39th, then, fed by Zola, Baggio made it 3-0 with a powerful diagonal shot four minutes into the second half.

Oscar Vales scored for Athletic in the 57th, but eight minutes later Parma's fourth goal was netted by Portuguese defender Fernando Couto on a shot from 7 meters following a melee.

Leverkusen 4, Katowice 0: In Frankfurt, Bayer Leverkusen qualified for the quarterfinals for the third time since 1988.

Leaving no doubt about who controlled the game, Leverkusen's captain, Bernd Schuster, scored the first goal on a free shot at the 11th minute. Two

minutes later, forward Andreas Thom picked up a flat pass in front of the net to put Leverkusen ahead, 2-0. Midfielder Heiko Scholz scored in the 15th minute and Pavel Hapal scrambled to score on a rebound from the top bar in the 28th.

Leverkusen, which outclassed the Katowice team throughout, had won by 4-1 in the first leg. The victory was also a rich one for the Leverkusen players, who each take home a promised \$16,000 Christmas bonus.

Juventus 2, Admira 1: In Turin, Juventus qualified for the quarterfinals, eliminating Admira Wacker of Austria on a 5-2 aggregate.

Thick fog made the game almost invisible. Even the orange ball used for the occasion could be hardly seen from the stands. Defender Ciro Ferrara gave the Italian team a 1-0 first-half lead with a header in the 17th minute.

Substitute forward Gerd Wimmer tallied the equalizer for Admira in the 74th minute.

Veteran striker Gianluca Vialli scored the game winner, on a free kick, with four minutes left.

The Turin team controlled the match throughout, despite the absence of injured key players such as Roberto Baggio and Jürgen Kohler.

Lazio 2, Trabzonspor 1: In Rome, substitute striker Marco Di Vaio scored the game winner

for Lazio in the 75th minute to give the Roman team the victory and a berth in the quarterfinals on a 4-2 aggregate score.

The captain and defender Roberto Cravero gave Lazio an early lead in the 25th minute.

Turkish forward Soner Boz tied the score in the 73rd, but Di Vaio quickly restored Lazio's lead two minutes later, with a powerful left drive from the penalty area edge.

Borussia Dortmund 3, Deportivo de la Coruna 1: In Frankfurt, Dortmund won in overtime to gain the quarterfinals.

After losing to the Spanish team in the first leg game, 1-0, Dortmund again faced a tough wall of defense and dangerous attacking game from the start.

It was a scoreless first half. Just five minutes into the second half, Andreas Möller headed a pass to Michael Zorc, who scored for Dortmund.

Regular time ended with Dortmund leading 1-0, but because of the first leg loss the game went into overtime.

At the 102nd minute in what appeared to be a disputable position, Alfredo Santelucia tied the game at 1-1.

At the 116th minute Dortmund's Karlheinz Riedle headed in a pass from Möller to go up 2-1. But it was Lars Ricken who saved the day for the Germans at the 118th with the badly needed third goal to qualify the team for the quarterfinals.

(AP, Reuters)

BUSINESS MESSAGE CENTER

CAPITAL AVAILABLE

CONFIRMABLE DRAFTS

Backed by Cash
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FINANCIAL SERVICES

FUNDING PROBLEMS?

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Real Estate - Mortgage
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INTERNATIONAL FINANCING

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VENTURE CAPITAL AVAILABLE

FINANCIAL INVESTMENTS

Various Capital - Equity Loans
Real Estate - Mortgage
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